

Herald Tribune

Published With The New York Times and The Washington Post

The Global Newspaper Edited and Published in Paris Printed simultaneously in Paris, London, Zurich, Hong Kong, Singapore, The Hague, Marseille, New York, Rome, Tokyo, Frankfurt.

Address: 175 West 67th St., New York, N.Y. 10023. Telephone: (212) 850-1000. Cable: HERALD TRIBUNE. Fax: (212) 850-1000.

No. 33,914 11/92 LONDON, THURSDAY, MARCH 12, 1992 ESTABLISHED 1887

Southern Sweep Puts Clinton in Command Tsongas Looks to Industrial States To Stay Alive in Democratic Race

By R.W. Apple Jr.
New York Times Service
MIAMI — The sweep of Southern states by Governor Bill Clinton of Arkansas as Super Tuesday has established him as the Democratic Party's undisputed front-runner, with a big lead in convention delegates, and gives him a shot at clinching the presidential nomination this month.

Mr. Clinton won in primaries in Florida, Texas, Tennessee, Mississippi, Oklahoma, Louisiana, and in caucuses in Missouri and Hawaii. Mr. Tsongas carried the Massachusetts and Rhode Island primaries and the Delaware caucuses.



Governor Bill Clinton hugging his wife, Hillary, during a campaign stop in Chicago.

NEWS ANALYSIS

defeat, of some delegates from all the major Super Tuesday states. Even if he loses both Michigan and Illinois, Mr. Tsongas will probably get delegates there, too, and Mr. Clinton would not be able to put a mathematical lock on the nomination until many more states had voted.

Despite Thrashing, Buchanan Vows He Won't Quit

By E.J. Dionne Jr. and Ann Devroy
Washington Post Service
WASHINGTON — Republican congressional leaders called on Patrick J. Buchanan to drop out of the presidential race after President George Bush swept eight Republican primaries with solid victories.

Mr. Bush had a total of 554 delegates compared to Mr. Buchanan's 46. At the convention, 1,105 delegates will be needed to win the nomination.

Mr. Buchanan had harshly criticized for denigrating Mr. Buchanan in an interview on Sunday. Mr. Buchanan argues that Mr. Bond should remain neutral in the Republican contest, but Mr. Bush said Wednesday it was appropriate for the party chairman to support the president, who is the titular head of the party.

chanan had harshly criticized for denigrating Mr. Buchanan in an interview on Sunday. Mr. Buchanan argues that Mr. Bond should remain neutral in the Republican contest, but Mr. Bush said Wednesday it was appropriate for the party chairman to support the president, who is the titular head of the party.

An Accord Is Shaping Up In Global Trade Talks

By Tom Redburn
International Herald Tribune
PARIS — Despite continuing tough talk from political leaders on both sides of the Atlantic over global trade negotiations, European Community and U.S. trade negotiators are on the verge of a breakthrough in their long-standing dispute over farm subsidies, officials said Wednesday.

By itself, the latest U.S. proposal, outlined in a letter from President George Bush, does not go far enough to satisfy Brussels. If offers a compromise that would allow the EC to introduce direct-income supports to farmers to encourage them to cut production. But it still does not meet Europe's wish to soften the blow because it calls for cuts in the volume of agricultural exports. Nor does it allow Brussels to continue direct-income supports indefinitely.



GETTING INTO THE SWING — Boris N. Yeltsin, concentrating on a forehand return during a tennis match Wednesday in Sochi, a resort on the Black Sea where he is vacationing with his family. The Russian president is a regular weekend tennis player.

Daiwa Securities Chief Quits Over Stock-Shuffling Scheme

By Paul Blustein
Washington Post Service
TOKYO — The president of Daiwa Securities Co., Japan's second-largest brokerage company, resigned Wednesday over a stock scandal that is focusing renewed attention on the cozy relationships between brokers and big clients exposed in scandals over the summer.

fling to help a major customer avoid reporting an investment loss. The summer scandals also involved favors for brokers for big corporate clients, mainly the payment of outright compensation for losses.

Tories Challenge Labor on Economy

U.K. General Election Set for April 9 As Nation Struggles With Recession

By Glenn Frankel
Washington Post Service
LONDON — Prime Minister John Major ended months of suspense on Wednesday by setting April 9 for Britain's next general election, a contest that opens with his Conservative Party trailing slightly in the polls and hobbled politically by the country's longest recession in decades.

At both junctures his party was well ahead in the polls, but Conservatives were deeply divided over Mrs. Thatcher's political demise and over issues such as the fate of her highly unpopular "poll tax" system of local revenues and Britain's future in a united Europe.

Despite the opinion polls, Mr. Major said he was "utterly confident" that his party would win an absolute majority of the 651 seats in the House of Commons and be returned to power for a fourth consecutive term.

dithering is over — Labor can get on with giving the country a fresh start." Mr. Major, whose personal popularity still outstrips Mr. Kinnoch's, has defied that tradition. But to win power, Labor must wrest at least 50 seats away from the Tories, which would be another historic first.

But Labor officials said voters would focus less on the cut and more on government projections that unemployment would continue to rise and that the country's annual deficit would double, to a record \$48 billion.

U.S. and Russia Differ on Pace Of Nuclear Cuts

By William Drozdiak
Washington Post Service
BRUSSELS — The United States and the Russian Republic agreed Wednesday on the need to make dramatic new reductions in their nuclear arsenals but expressed clear differences over how quickly and in what categories those cuts should be made.

After nearly five hours of talks with Russia's foreign minister, Andrei Kozyrev, Secretary of State James A. Baker 3d said both sides felt a "genuine desire" to banish more of their long-range nuclear weaponry than was prescribed in the Strategic Arms Reduction Treaty, which was signed in July.

But he said that "we are looking for ways to bridge the gap" and expressed confidence that a deal could be cut in the next three months that would set the stage for "a meaningful and

Kiosk
Aerospace Executive to Lead NASA
WASHINGTON (UPI) — President George Bush on Wednesday appointed an aerospace executive, Daniel Goldin, to head the National Aeronautics and Space Administration, replacing Admiral Richard H. Truly, who was forced to resign last month.

Why Chase That Storm? Because It's There, Say the Addicts

By Nick Ravo
New York Times Service
MIAMI — To Jim Leonard, a burricane hobbyist, winter here is wimpy, what with travel-poster skies, slow-motion surf and nary a tropical disturbance in sight. "BOR-ing," he said. "Not even a thunderstorm."

PEOPLE
Stallone Sells a House
Leon H...
IC: CLIMATE
ALD TRIBUNE

Losing Russia: Nixon Has Talked, and Bush Must Listen

By Thomas L. Friedman

WASHINGTON — By warning that the United States has provided "pathetically" insufficient assistance to Russia, Richard Nixon has stung the Bush administration and focused attention on an issue that the administration and Congress have been hesitating to address for months.

Mr. Bush, speaking at a news conference Wednesday, said he had "great respect" for Mr. Nixon's views and said he was "fundamentally" in agreement with the former president that the end of the Cold War had delivered an opportunity to the West to secure peace and stability further.

Mr. Bush noted that he would meet in June with President Boris N. Yeltsin of Russia but warned that dollars were limited.

"We're living in a time of constrained resources," Mr. Bush said. "There isn't a lot of money around."

He also said he supported the idea of contributing to an international stabilization fund for the Russian ruble, but he said his advisers were still reviewing the matter.

On Tuesday, when he was asked about Mr. Nixon's critique just before a meeting with party leaders, Mr. Bush's discomfort was more evident.

First, Mr. Bush said he and Mr. Nixon had spoken and were actually in total agreement. Then Mr. Bush said his administration had already done a great deal — contradicting the critique.

In arguing forcefully that the administration is missing the opportunity of the century to transform Russia into a democracy, Mr. Nixon has

NEWS ANALYSIS

raised the possibility of a "who lost Russia" debate if the infant democratic institutions in Russia and other former Soviet republics are toppled.

That is perhaps the worst fear of senior administration officials: that all their foreign policy successes — from German reunification to the Gulf War — could be washed away in assertions that they "lost Russia" if President Yeltsin is overthrown by hard-liners.

As Mr. Nixon put it in his memorandum circulated to foreign-policy analysts: "The hot-button issue in the 1950s was 'Who lost China?' If Mr. Yeltsin goes down, the question 'Who lost Russia?' will be an infinitely more devastating issue in the 1990s." That is a question that virtually every policymaker in this administration has in the back of the mind. Although they will never say so

publicly, officials acknowledge that they could be vulnerable to a harsh historical judgment on whether they did enough to ensure that the democratic revolution in Russia led by Mr. Yeltsin succeeds. Even those who favor Mr. Bush's cautious approach say they know that if Mr. Yeltsin goes down, they will be blamed.

The response of Bush administration officials up to now has been to suppress any fears and try to make as much as possible out of the relatively little that the administration has done. At the same time, they are refraining from asking Congress or the taxpayers for anything more substantial, which they consider politically unwise at this time, and are somehow hoping that Mr. Yeltsin will muddle through.

Speaking generally of the Nixon memo, Mr. Bush said, "I didn't take it as personally critical, and I think he would reiterate that it wasn't."

Mr. Nixon's critique has won the respect even of some Democrats, as Senator Joseph R. Biden, chairman of the Senate Europe subcommittee, put it: "It seems to occur randomly, but this time Mr. Nixon has it right. What we need from the Bush administration is a comprehensive plan to buttress democracy from Prague to Vladivostok. I have urged Secretary Baker to submit such plans to

Congress and I have pledged to support the administration in the bipartisan spirit that these crucial issues demand."

Yet Democratic presidential candidates have not shown much enthusiasm for spending a great deal of money at the moment to support Russian reforms, and they tend to get a little vague when the issue is raised.

The Warning Gets Darker

WASHINGTON — Former President Richard Nixon warned Wednesday that failure to provide aid to a democratic Russia could mean "a new despotism" in Europe and costly rearmament for America.

"If America does not lead, who? The Japanese? The Chinese? The Russians? The Germans?" Mr. Nixon asked an audience of scholars and officials from his administration. "This is our moment of greatness. It's our moment of truth."

Although Mr. Nixon expanded on an essay he wrote accusing the Bush administration of being "pathetically inadequate" in its support for democratic change in the former Soviet Union, he did not repeat his criticism. "I have no rift with President Bush," Mr. Nixon told reporters.

During the Cold War, Mr. Nixon said, the United States and its allies "were doing everything that we could to prevent the success of what were basically evil ideas. Now we have to do what we can to assure the success of those ideas that are good."

Mr. Nixon, 79, said America must realize it could not have peace in a world of wars or a healthy economy in a sick world economy.

"Freedom is on trial and if freedom doesn't work, the Russian people are not going to return to communism because it failed, but they will return to what I would call a new despotism in which they trade their freedom for security," he said.

If President Boris N. Yeltsin is to succeed in changing Russia from dictatorship to democracy and a market economy, Mr. Nixon said, he will need billions of dollars to stabilize the ruble, open markets for exports to the West and humanitarian aid from the West.

"We have to realize that if Yeltsin fails, if freedom fails, the peace dividend is finished, we will have to rearm and that is going to cost infinitely more than would the aid that we provide at the present time."

Pentagon Rushes To Develop SDI, Despite New Curb

By William J. Broad

WASHINGTON — The Pentagon is speeding ahead with plans to test weapons into space despite a new law intended to bring the Strategic Defense Initiative program down to earth, congressional investigators say.

The General Accounting Office, in a 50-page report, said the Pentagon's strategy for developing space arms was risky technically and could result in "schedule delays, escalating costs and performance problems" in the so-called "star wars" systems meant to destroy enemy missiles. If such systems failed, the report noted, "millions of people could be killed."

The report said plans for integrating the weapons and battle management computers were so rushed and chaotic that risks of system incompatibility and failure were rising fast, along with confusion and duplication of effort among contractors.

The accounting office report was made public Tuesday by Representative John Conyers Jr., Democrat of Michigan, who is chairman of the Legislation and National Security Subcommittee of the House Committee on Government Operations.

In a statement, Mr. Conyers said the Pentagon had failed to adjust its goals to comply with the Missile Defense Act of December, which he said "promised to redirect the program away from space weapon fantasies" and toward ground-based interceptors. He called the act "an outright failure."

The Missile Defense Act of 1991, part of the 1992 defense authorization bill passed by Congress and signed into law by President George Bush in December, calls for the United States to build by 1996 the interceptors intended to give the nation a limited degree of protection from enemy missiles. Its cost is estimated at \$10 billion.

For the first time, the act moved

U.S. Food for Turkmenistan

The Associated Press

WASHINGTON — The United States will give 6,100 metric tons of food to Turkmenistan, the first U.S. donation to a central Asian republic of the former Soviet Union. The Agriculture Department said the shipments will include oatmeal, infant formula, rice, wheat flour, vegetable oil and lentils.

Scholars of Terror Dig Into Soviet Archives

By Irvin Molotsky

WASHINGTON — In an effort that would have been unthinkable just two years ago, American scholars have been examining Soviet records and coaching Russians on how to ferret out the secrets buried deep in 70 years' worth of paper accumulated in the archives of the many bureaucracies of the former Soviet Union.

Along the way, scholars, researchers and historians from both the United States and the former Soviet lands hope to find the answers to many questions.

How many people died in the Stalin purges of the 1930s? What went on in the Kremlin debates that led to the invasions of Hungary in 1956 and Czechoslovakia in 1968?

And, in a matter made current by the arguments over the movie "JFK," just what did Lee Harvey Oswald do during his stay in the Soviet Union?

Unless people are remarkably lucky, the answers will not come quickly, since by some estimates 6 billion pages wait to be turned, and no one quite knows where everything is.

James H. Billington, the Librarian of Congress and one of the leading American authorities on the Soviet Union, painted a picture of files both centralized in Moscow and St. Petersburg and scattered about republics and provinces.

"There are the archives of the Central Committee, about 75 million pieces," said Mr. Billington, who is chairman of an international commission that is trying to establish priorities on what to microfilm and catalogue first.

"They have never been opened before," he said. "It includes a tremendous amount of material — surveys on what people were thinking, the state of public opinion. The leaders had to be informed, even in their most repressive moods."

While many Soviet leaders destroyed or altered records that would have cast them in a poor light, copies of just about everything were distributed to provincial archives of the Communist Party, Mr. Billington said.

Most of the material is in the Communist Party Archives at the Marx-Lenin Institute, small parts of which have been examined, whetting scholarly interest.

Included in that archive, Mr. Billington said, are "4,000 Lenin letters that have never been published before, highly secret dossiers gathered for Stalin and stenographic reports of the meetings of the Comintern — some third or fourth carbons on disintegrating paper that are hard to read and in need of conservation."

The Comintern was the Soviet-led international organization of Communist Parties that existed from 1919 to 1943.

The American effort, Mr. Billington said, will include help and advice on cataloging and preserving, publishing and microfilming of the papers so they can be made available to scholars in Russia and the United States, and raising money to pay for the activities.

The cost to the U.S. government so far, he said, has been nominal, perhaps a few thousand dollars for travel and copying expenses, with private foundations and companies paying most of the expenses. The MacArthur Foundation, for instance, has agreed to provide \$1 million over three years for a Cold War project at the Woodrow Wilson International Center for Scholars in Washington.

\$27 Million for Australia Combine After All, Virginia Lottery Decides

The Associated Press

RICHMOND, Virginia — Virginia will honor a \$27 million lottery ticket held by an Australian fund that bought 5 million of the 7 million number combinations, according to the state's lottery chief, Kenneth W. Thorson. He said at a news conference that the ticket bought by the Melbourne-based International Lotto Fund was valid.

The fund bought approximately 5 million of the possible 7.1 million six-number combinations for the Feb. 15 round. Of the 32 U.S. states with lotteries, Virginia is the first to experience an attempt to corner a lottery jackpot, Mr. Thorson said.

A subsidiary of the Lotto Fund presented the winning ticket last week. It was bought at a supermarket in Chesapeake in southeastern Virginia. The money will be paid in 20 annual payments of slightly more than \$1 million after taxes. There are 2,500 investors in the Australian syndicate.



RECONSTRUCTING THE BLOWS — Timothy Singer, right, a California Highway Patrol officer, using Michael Stone, a defense attorney, to demonstrate how a Los Angeles police officer struck a black motorist last March. Mr. Singer was testifying for the prosecution in the trial of four white officers who are charged with assaulting Rodney King. The beating was videotaped by an onlooker.

Shooting Broke Mob's 'Code of Honor'

By Laurie Goodstein

NEW YORK — The police said the shooting of a mob defector's sister was a point-blank message to other turncoats to stop revealing crime-family secrets.

Law enforcement sources said the shooting Tuesday of Patricia Capozzallo, 38, sister of Peter (Fat Pete) Chiodo, appeared to break a mob "code of honor" that prohibits harming women, children or relatives not involved in organized crime.

"This is highly unusual," said a police investigator of organized crime who asked not to be identified. "It doesn't appear that she or her husband were involved in the family, and they don't usually go after a woman."

"It could be that they want her to teach everyone else a lesson," the investigator said. "They're sending a message out to anybody who decides to rat."

Mr. Chiodo had proved himself a valuable informer for the government. His testimony helped to convict three mobsters last year of racketeering in a scheme involving contracts for

replacing windows in city-administered buildings. Five others in the so-called Windows trial were acquitted, among them Peter Gotti, whose brother John is the reputed boss of the Gambino family and is on trial for murder and racketeering in U.S. District Court in Brooklyn.

Mr. Chiodo, 40, a former capo, or captain, in the Luchese crime family, was the victim of an attempted assassination last year. While looking under the hood of his Cadillac at a Staten Island gas station, he was shot 12 times in the stomach, chest, legs and arms. He survived only because the bullets could not deeply penetrate his 435-pound (nearly 200-kilogram) frame, doctors said.

Sitting in a wheelchair and sweating, Mr. Chiodo testified during the trial that he turned government witness only after his wife and his father had received death threats.

Mr. Chiodo and his family are at an undisclosed location under the Federal Witness Protection Program. But his sister, Mrs. Capozzallo, and her family chose to stay out of the program, aware of the mob's tradition of sparing unin-

involved family members, a law-enforcement source said.

Mrs. Capozzallo, a homemaker and mother of three, had dropped her son and several neighborhood children at school and was returning to her Bensonhurst home when a black van with tinted windows pulled up to her car, the police said. Two men in ski masks fired shots, which lodged in her neck and back. She stumbled into her house, and her husband called for help, the police said. The gunmen escaped.

She was rushed to a hospital, where she remained in serious condition. The police and FBI agents are investigating the shooting as a mob-related incident.

Mr. Chiodo and Philip Leonetti, an underboss in Philadelphia, originally were expected to testify against John Gotti. But the defection four months ago of Salvatore (Sammy Bull) Gravano, Mr. Gotti's underboss and former co-defendant, outweighed testimony that Mr. Chiodo and Mr. Leonetti could offer as members of mob families only affiliated with the Gambinos, the authorities said.

An Aerospace Executive To Be NASA's New Chief

The Associated Press

WASHINGTON — President George Bush Wednesday named Daniel Goldin, an executive of the space company TRW Inc., to head the troubled NASA and "ensure America's leadership in space as we enter the 21st century."

Mr. Goldin would succeed Admiral Richard H. Truly, who was forced to resign last month.

The president called Mr. Goldin "a leader in America's aerospace industry and a man of extraordinary energy and vitality."

"Working with the vice president as chairman of our Space Council, Dan Goldin will assure America's leadership in space as we enter the 21st Century," Mr. Bush said.

The council's complaints about the direction of the National Aeronautics and Space Administration and Admiral Truly's stewardship

had led to his forced resignation last month, sources said.

The president said Admiral Truly, who had been administrator since 1989, had provided great leadership. He had been the first astronaut to head the agency, and several of NASA's top officials came from the astronaut corps.

Mr. Goldin, vice president and general manager of the TRW Space and Technology Group, has broad experience in both national security and commercial space programs. He has worked on such projects as the Tracking and Data Relay Satellite System and the Strategic Defense Initiative.

He was expected to bring budget-minded direction to the agency. During his time at TRW, the company built tracking and relay satellites for NASA that were completed on time and within budget, impressing officials.

AUSTRIA CENTER
VIENNA

**Pilots do it
Priests do it
Let's do it
Let's fall in love -
with Vienna**

Did you know Vienna has one of Europe's most modern convention centers?

For information write, call or fax:
Austria Center Vienna, A-1450 Vienna, Austria
Tel: (0222) 23 69-0 Fax: (0222) 23 69-303

"Why reserve upper deck for intercontinental Business Class?"

"To offer the highest standards in every sense."

KLM
BOEING 747-400

On KLM's B747s you don't just enjoy top-class service, you enjoy it at the top of the plane. The stretched upper deck is reserved exclusively for Business Class.

Choose from the finest three-course meals with fresh ingredients, and a choice of wines including a monthly 'special'. All served on delicate china and linen tablecloths.

Listen to music through electronic headphones, catch up with the news from ITN, or simply recline your luxurious seat and relax. (Our 'Comfort Pack' contains all you need to sleep and freshen-up after.)

To cut check-in time, pre-book your flight and seat by phoning (int) 31-6-8 747 747, 24-hours a day.

And to be in business as soon as you land, our new Business Class lounge at Schiphol airport offers phones, PCs and privacy.

Passengers describe our long-haul Business Class as 'virtually equal to First Class standards'. Expect a lot, and see how we meet your expectations.

Test us, try us, fly us.

The Reliable Airline KLM
Royal Dutch Airlines

WORLD BRIEFS

Il Support Sinks to 27 — Public support for Prime Minister... (text continues)

Honecker's Return — German officials... (text continues)

Assail Abortion Rule — A Roman Catholic... (text continues)

Condition on Atomic Aid — The U.S. State... (text continues)

Basic Change in Syria — The Syrian... (text continues)

VEL UPDATE — A source... (text continues)

Top Officials Thrash the 'No Rivals' Plan

Pentagon Backpedals on Draft Amid White House and State Dept. Criticism

By Patrick E. Tyler

WASHINGTON — Senior White House and State Department officials have heavily criticized a draft Pentagon policy statement that asserts that America's mission in the post-Cold War era will be to prevent any collection of friendly or unfriendly nations from competing with the United States for superpower status.

Opposed to this view are officials arguing for a more diminished U.S. military role, more emphasis on collective action through the United Nations and regional alliances and a strategy to engage the military establishments of former adversaries in new collective security arrangements.

David E. Jeremiah, and Mr. Wolfowitz have referred in public recently to the preparation of the policy document, which is meant to guide the preparation and planning of military budgets and forces in a two-year cycle.



A Belgrade student abusing the Serbian government Wednesday, at an anti-civil war rally that had persisted 24 hours.

Belgrade Students Demand That Milosevic Quit

Opposition leaders had demanded his resignation at a big rally in Belgrade on Monday. "Slobo out!" and "Belgrade can no longer sleep!" the students chanted.

Officers for Arms: Deal Near in Armenia

MOSCOW — Officers of the former Soviet Army appeared to have clinched a deal Wednesday for the release of 10 officers held hostage by Armenian fighters demanding weapons and ammunition in their conflict with Azerbaijan.

GATT: An Accord Is Shaping Up

(Continued from page 1) The key negotiating session in Washington, D.C., was planned for next week.

IMF Says Russia Needs \$12 Billion in Aid for '92

By Steven Mufson. WASHINGTON — The International Monetary Fund will tell its members next month that Russia needs about \$12 billion in food donations, debt relief and other financing during 1992, according to sources familiar with talks between the republic and the IMF.

U.S. and U.K. Give Iraq a New Warning

David Hannay, said force had been used to drive the Iraqi Army out of Kuwait "because Iraq miscalculated and believed that this council was bluffing."

MISSILES: U.S. and Russia Agree on Cuts, but Not on Pace

(Continued from page 1) substantive summit" meeting between the leaders.

EUROPEAN TOPICS

The Tuileries, stretching from the Louvre to Place de la Concorde in the heart of the city, are a popular tourist attraction. But the chestnut trees are ill, the flower beds empty and the stamens eroding in the traffic-polluted air.

A large advertisement for 'INTERNATIONAL CLASSIFIED' featuring a grid of travel and escort services from various cities like London, Zurich, Frankfurt, and Amsterdam.

Advertisement for 'Systke Loonja' featuring a logo and text in a stylized font.

COMMON MISPERCEPTION



that had persisted 24 hours.
Milosevic Quit
 ...

Accord Is Shaping
 ...

"Your faxes never seem to find you overseas."

They must not be using *AT&T USADirect Service*.

- **Worldwide Fax**
- **800 Number Connections**
- **Voice Messaging**
- **Teleconferencing**
- **Translation Services**
- **Sequential Calling**

Now your faxes *can* find you overseas. Just use *AT&T Enhanced FAX*, one of the features of *AT&T USADirect Service*. Don't worry about missing faxes when you travel. With *AT&T Enhanced FAX*, people can send your faxes to an exclusive electronic mailbox, which holds them until you want them transmitted to your location. So the same convenience you enjoy when faxing in the States now covers the world.

AT&T USADirect Service makes communicating from around the world as easy as picking up a phone. Not only can you call the States easily, but there are also a number of remarkable features that make *USADirect Service* an essential tool for any traveler:

800 Number Connections. Reach any AT&T 800 number in the U.S. — credit card companies, travel agents, vendors, even our own telecommunications services.*

AT&T Message Service. Record up to a one-minute message. Then tell us the exact time and date you want it delivered — to any of over 170 countries. If it doesn't go through the first time, we'll try to get the message through for up to four hours. There's no charge if we can't get your message through. You only pay for your *USADirect* call.

AT&T Classic™ TeleConference Service. Connect 3 to 500 locations in more than 270 countries and territories worldwide. You can hold a spur-of-the-moment conference call, or arrange conferences well in advance. A specialist will set up the call for you.

AT&T Language Line® Services. Bring a personal translator with you, virtually wherever you go. We can help you in over 140 languages, 24 hours a day, 7 days a week. Whether you need a conference call or a conversation translated, just call us and we're there to help.

Sequential Calling** Make up to 10 consecutive calls without redialing the access number for each call — just press the (#) key and follow the simple voice prompts. With less dialing and less waiting, you'll save time and minimize hotel surcharges for additional calls.

Refer to the sports page for a complete listing of all country codes.

AUSTRIA*	022-903-011	GREECE*	00-800-1311	POLAND*•	010-480-0111
BELGIUM*	078-11-0010	HUNGARY*	00-800-01111	PORTUGAL*	05017-1-288
CZECHOSLOVAKIA	00-420-00101	IRELAND	1-800-550-000	SPAIN*	900-99-00-11
DENMARK*	8001-0010	ISRAEL	177-100-2727	SWEDEN*	020-795-611
EGYPT*†	356-0200	ITALY*	172-1011	SWITZERLAND*	155-00-11
FRANCE*	19-0011	NETHERLANDS*	06-022-9111	TURKEY*	9-9-8001-2277
GERMANY*	0130-0010	NORWAY*	050-12011	UNITED KINGDOM	0800-89-0011

For additional USADirect access numbers or information about the features call us collect at 412-555-4598 Ext. 921. When in the U.S., call 1-800-877-4100 Ext. 421 for a free USADirect information card and brochure.
 *Mobile phone service depends on carrier and local laws. †May not be available from every phone. ‡Not available from public phones. §Not available from all countries. ††Not available from all countries.

Only *AT&T USADirect Service* offers you such a broad package of helpful features. So put your misperceptions aside! Just dial the *USADirect* access number for the country you're in and use your *AT&T Calling Card*. Within seconds, you'll be connected with an English-speaking AT&T Operator in the States who can help you in ways you never before imagined!†

This trip, try one of our advanced features.

AT&T USADirect Service
 Your Express Connection to AT&T Service



USADirect Service is available only by the placement of a collect call.
 *Some international calling services may be available only from certain countries.
 †Not available in all countries. ‡Not available from all countries. ††Not available from all countries. †††Not available from all countries. ††††Not available from all countries.

Herald Tribune

Opportunity in Russia

Election year is the best time for American politicians to show leadership. Freedom in Russia is the finest imaginable cause...

Black With White

Of all the numbers pouring forth from Super Tuesday, one stands out. While winning half the total Democratic vote in Florida...

Bad and Getting Worse

If you thought the Senate tax bill was already bad—which it is—just wait. Some of America's most pious fiscal conservatives are threatening an amendment to give away billions of dollars...



Against Saddam, an Overhauled Battle Plan

NEW YORK — Saddam Hussein's dictatorial regime has grown more defiant in recent months, not weaker and more compliant as the Bush administration predicted...

New Age for the United Nations, Members Willing

UNITED NATIONS, New York — To Britros Britros Ghali, the smooth old pro from Egypt who is the United Nations' bouncy new secretary-general...

To Finish in a Burlesque of Empire?

PARIS — The Defense Department's new effort to justify continued high U.S. military spending is a more imposing job than the last one. Last month a compendium of scenarios of "illustrious future wars" became known...

Japanese Should Face Their Past

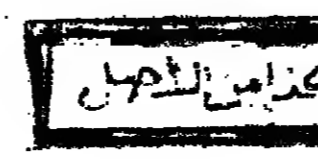
WAKO, Japan — A debate has erupted in Japan over actions of the Japanese military more than 50 years ago. The issue is "comfort women," an euphemism for the Korean, Japanese, Chinese and Taiwanese women who were carried off to battlefront brothels between 1938 and 1945...

Clinton - Washington - Florida - Special late arrival... Assistant Professor and American... Applications are invited...

Aalborg Faculty of Arts Department of Language Assistant Professor and American... Applications are invited...

Bristol-Myers Patent Leading United States global Pharmaceut... Outstanding care European Patent Office London or Brussels... Five or more years experience along academic credentials... Successful candidate to practice before Office in Munich, French and English written communication... Please forward remuneration package to: L.A. Milton, Vice President, Bristol-Myers, 11000 Middlesex, US100

INTERNATIONAL HERALD TRIBUNE KATHARINE GRAHAM, ARTHUR OCHS SULZBERGER Co-Chairman... LEE W. HUEBNER, Publisher... JOHN VINOUCO, Executive Editor... WALTER WELLS, News Editor... KATHERINE KNORR and CHARLES MITCHELL, Deputy Editors... CARL GEVURTZ, Associate Editor... ROBERT I. DONAHUE, Editor of the Editorial Pages... REGINALD DALE, Economic and Financial Editor... RENÉ BONDY, Deputy Publisher... RICHARD H. MORGAN, Associate Publisher... JUANITA I. CASPARI, Advertising Sales Director... ROBERT FARRÉ, Circulation Director, Europe... International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92521 Neuilly-sur-Seine, France... Tel: 11-46-37-93.00. Telex: Advertising, 612395; Circulation, 612632; Editorial, 612718; Production, 630698... Directeur de la Publication: Richard D. Simmons... Chairman from 1938 to 1982: John Hay Whitney... Editor for Asia: Michael Richardson, 5 Canterbury Rd., Singapore (511). Tel: 7788. Telex: AS5922... Mgr. Dir. Asia, Rolf D. Knappold, 30 Gloucester Rd., Hong Kong, Tel: 8610616. Telex: 01170... Mgr. Dir. U.K., Gary Thomas, 63 Long Acre, London WC2E. Tel: 836-4802. Telex: 263009... Mgr. Germany: W. Laubach, Friedrichstr. 15, 6000 Frankfurt/M., Tel: (069) 76753. Telex: 416721... Pres. U.S.: Michael Curran, 850 Third Ave., New York, N.Y. 10022. Tel: (212) 723-3898. Telex: 42717... S 4 au capital de 1.200.000 F. RCS Nanterre B 32021126. Commission Paritaire No 01537... © 1992, International Herald Tribune. All rights reserved. ISSN: 0244-8052.



OPINION

Clinton vs. Bush Could Prove Bad for Turnout

By George F. Will

WASHINGTON — Florida, a geological late arrival, was the last part of what is the continental United States to rise from the ocean. Paul Tsongas probably wishes it had stayed submerged. The least Southern of all southern states, Florida was Mr. Tsongas's best chance to put sand in the gears of Bill Clinton's machine. Instead, Florida gave maximum momentum to that machine as it rolls toward the real Super Tuesday, next week in Michigan and especially Illinois.

When, in the distant future, narrators are retelling the Homerian epic of this presidential campaign, they will linger over the inexpressible sad fact that the lamp of love between Bill Clinton and Paul Tsongas was extinguished in the run-up to Super Tuesday.

Mr. Clinton, attacking Mr. Tsongas, shouted, "Growth first, fairness later — bull! We never had growth without fairness and we never will." Now, nonsense is to be expected from fired candidates who have many more speaking engagements than they have sensible things to say. But Mr. Clinton is exceeding the limits of permissible babble.

His complaint about the 1980s (a.k.a. The Reagan Terror) is that there was growth without fairness. And one can imagine how Mr. Clinton disdains the growth of the Cried Age and the 1920s. Is he now saying it is better to have no growth than growth without fairness — that growth should wait until there is consensus about fairness?

According to Mr. Clinton, Mr. Tsongas's sins against fairness include consideration of limiting cost-of-living adjustments of some entitlement programs for the wealthy. Also, Mr. Clinton criticizes Mr. Tsongas for proposing to phase in a 30- to 50-cent-a-gallon increase in the gasoline tax over 10 years. If 45 cents were added instantly, the cost of a gallon would be, in real terms, what it was in 1950.

For his part, Mr. Tsongas says Mr. Clinton is a "pander bear" telling "blatant" lies. A century ago an acute student of these things, the novelist Anthony Trollope, noted that in democracies disputes between politicians are fiercest when the real differences are smallest. "It is the same in religion. The apostle of Christianity and the infidel can meet without a chance of a quarrel; but it is only when they differ about a saint or a miracle."

It must get galling for Mr. Clinton, who expected to run as the candidate of unconventional realism against some Tom Harkin-like liberal, to find himself flanked on the moralist-realist side by

the last serving member was nominated (George McGovern) and 32 years since the last member was elected (John Kennedy). Nebraska's Senator Bob Kerrey was knocked out early, partly because he got in six months late: He missed Spring training. Iowa's Senator Harkin got in 45 years late. He is a 1940s labor liberal, part Harry Truman and a little bit like Iowa's Henry Wallace.

In presidential politics, money is the root of all excuses. Mr. Harkin, having unfurled the banner of Pure Liberalism, has re-furled it, saying the usual thing,

that he had no choice because he had no money to get his message out. He sedulously misses the point: His message got out loud and clear, and if people had liked it he would have had pots of money.

Mr. Clinton does have pots of money and probably will be nominated, even though he has ominously high "negatives." Indeed, he is winning partly because of them: People admire the way he slogs on, carrying all that baggage. But the baggage remains and, come autumn, Republicans will not be reticent about it.

However, Mr. Clinton will be running against a president repudiated by one-third of the Republican Party and two-thirds of any Republican president's base of true believers. George Bush, who has the entire executive branch at his disposal, has allowed the conversation of the campaign to be controlled by a columnist on seibstical. Amazing.

Mr. Bush is the most potent negative campaigner in history. The more he campaigns, the more his own negatives rise. His best strategy would be to go to earth in Bermuda until November, emerging only to wage short wars against Third World miscreants.

Much will change between now and November, but today a reasonable wager would be that Election Day will see another reduction in voter turnout. Tens of millions of people may choose not to choose between a Democratic nominee they do not quite trust and a failed president they no longer respect.

Washington Post Writers Group



LETTERS TO THE EDITOR

French Mystery Persists

Regarding the report "French Diet Redux: Hold the Fats" (March 5):

The French dietary paradox has two ingredients: a consumption of fats equal to American consumption, yet a coronary mortality rate two to three times lower than the American rate.

As cited in your report, the American nutritionist Dr. Marion Nestle proposes an explanation: not that today's French diet is healthy, but that 30 years ago it was low in fats and the French are still benefiting. "The French diet," she says, "is ovoidly high in fat, and heart disease rates just haven't had time to catch up."

technical institute, the mean French consumption of fats was 95 grams a day. In 1981 it was 99 grams; in 1989, 97 grams. So the paradox has not disappeared. It remains a rational counter to American anti-cholesterol guidelines.

Dr. MARIAN APPELBAUM, Director of Human Nutrition Studies, Xavier Bichat Faculty of Medicine, Paris.

Get Rid of the Hyphens

Regarding the editorial "An American Period" (March 2):

This editorial on "byphenated minorities" is right on the mark. But why stop at deploring such usage as "Irish-American, Polish-American, Japanese-American?" Why not include "African-American?" Such terminology only helps to separate the group even more from a society into which its members have

been born and bred, and whose roots in the American culture go back further than those of most other Americans.

Black Americans are first and foremost Americans. Many of their ancestors were white settlers and slave owners. Where do the hyphens stop and the struggle to create a more humane and unified American society begin?

I am a second-generation American of Russian-Romanian descent, but I am no more Russian or Romanian than Kristi Yamaguchi is Japanese or Eddie Murphy is African.

Knowing and appreciating distant roots and culture can enrich one's life, but using stilted terminology and separating oneself by a hyphen only adds to the prejudices and confusions of a society already strained by ethnic tensions.

ELLEN SHIRE, Lübeck, Germany.

The War of the Sexes Is a Fraud

By Carol Tavris

LOS ANGELES — The gender wars have been heating up in America again. The drumbeat of news stories about rape, harassment, the glass ceiling, the "gender gap" in politics and the "housework gap" at home have inflamed feelings on both sides.

Beneath the anger and jokes, I detect real fear that the situation is getting out of hand. The sexes seem increasingly to feel that there is an unbridgeable chasm between them.

This is no wonder, because we are bombarded with assertions of how different the sexes are. Robert Bly celebrates the archetypal differences between Woman and Man (Jungians like to write in capital letters). Newsweek Science and that scholarly publication

one of the most emotional and pressing issues of the 20th century. It emerged in its modern form with the Industrial Revolution. Where once the spheres of men's work and women's work coexisted close to the home, now they moved in different orbits — the public world of work for him, the private world of the family for her. So women became the love experts and men the experts on everything else.

Whenever the sexes live in separate economic spheres, we can expect scientific efforts to legitimize the idea that men and women are fundamentally opposite because of their hormones, brains, natures or innermost psyches, and so any expectation of change is hopeless. This idea erupts with renewed vigor every time women take a significant step outside the private sphere.

When women tried to enter universities a century ago, "science" was quick to assert that education would overheat their brains, destroy their ovaries and make them infertile.

In fact, the weight of the evidence about the "natures" and capabilities of the sexes falls on the side of how similar they are.

When I looked into the research on brains, hormones, mental abilities, skills, moods, sexual desires, feelings of love and connection, grief, moral reasoning, empathy, belligerence and other traits pertaining to the strengths and foibles of the human condition, what I found overwhelmingly was this: There is far more variation within each sex than between them.

Examples: • Are men's and women's brains differently wired? An eminent researcher in this field summarized her findings this way: "One must not overlook perhaps the most obvious conclusion, which is that basic patterns of male and female brain asymmetry seem to be more similar than they are different." Of course, everyone overlooked it. The few small studies that find sex differences in the brains of men and women make the news, but not the studies that find trivial differences or none at all.

• Is male and female sexuality differently programmed? Sociobiologists say yes, pointing to the "promiscuous" behavior of the males of many species. But the research of women scientists has established that in many species,

including birds, fish and mammals, females are as "promiscuous" as males — many will have multiple copulations even after they have been impregnated.

Just as Darwin's description of the "natural" "coy female" and "hustful male" gave a scientific gloss to Victorian courtship customs, sociobiological theory about modern sexual relationships serves more to justify social rules than to illuminate their origins.

• Are women inherently pacifistic, nature-loving and empathic? It is true that, universally, men are far more likely than women to behave aggressively; but sexes fear male violence. Yet it does not follow that women are invariably less likely than men to support war, depersonalize the enemy or despoil the environment, or that men are less likely than women to live in harmony with their neighbors. The archetypes of Man the Noble Warrior and Woman the Slightly Pacifist complement both sexes, but history serves up ample evidence of female belligerence and male pacifism.

Indeed, that is what is wrong with all visions that posit an essential opposition of the sexes: They rest on archetype, not reality. Thinking in opposites leads to what philosophers call "the law of the excluded middle," which is where most men and women fall in terms of their qualities, beliefs, values and capabilities. The very term "opposite sex" implies an underlying antagonism, the pitting of one side against the other, one way (which is right and healthy) versus the other's way (which is wrong and unhealthy).

Framing an issue in polarities, regardless of which pole is valued, sets up false choices: Is it better to be logical or intuitive? Emotional or reasonable? Dependent or autonomous? In truth, we are, and should be, all of the above.

I am hopeful that we can find new pathways through these thickets. There is nothing in our nature or intellect that creates the battle of the sexes; the differences that most trouble us are created by the differing conditions and experiences of our lives. By understanding the real forces that separate women and men — and that unite us — we can find better ways to work together, live together and develop the society that would benefit us all.

The writer, a social psychologist and author of "The Miseducation of Women," contributed this comment to the Los Angeles Times.

INTERNATIONAL RECRUITMENT

Aalborg University Faculty of Arts Department of Languages and Intercultural Studies Assistant Professor of British and American Literature Applications are invited for a position as Assistant Professor (Adjunkt) of British and American literature at Aalborg University, Denmark. Special attention will be given to candidates with interests in the relations between literature and cultural, social and political history and/or in literary theory and methodology.

RADIO FREE EUROPE RADIO LIBERTY The Personnel Division of Radio Free Europe/Radio Liberty, Inc., an American corporation located in Munich, Germany, is looking for experienced Personnel professionals and managers in the following areas: Labor and Employee Relations, Compensation and Employee Benefits, Personnel Policy Development, Management/Organizational Analysis.

unicef United Nations Children's Fund The United Nations Children's Fund, with headquarters in New York and offices throughout the world, seeks qualified candidates for the following position: PROCUREMENT OFFICER (P-4) WATER AND SANITATION Copenhagen, DENMARK Major responsibilities include procurement of engineering-related equipment, machinery, spare parts and supplies (i.e., well screens and casings, solar powered water pumping equipment, hand and motor pumps) needed for UNICEF programmes and specialized UN agencies, governmental and non-governmental organizations; and providing advice to Field Offices on related technical aspects.

Bristol-Myers Squibb Company Patent Counsel Leading United States headquartered global Pharmaceutical Company has an outstanding career opportunity for a European Patent Counsel to be located in London or Brussels. Five or more years of practical commercial experience along with the appropriate academic credentials are required to manage diversified patent assignments in Europe for the Health Care Group.

UN TECHNICIEN RESPONSABLE A LA FOIS DE L'INSTALLATION ET DE LA FORMATION SUR NOS PRODUITS AUPRES DE NOTRE CLIENTELE EUROPEENNE D'une formation BAC + 2, complétée par des connaissances en TELECOMMUNICATIONS, vous êtes familiarisés avec l'environnement PC (Software) Vous êtes également dotés d'une culture financière (marchés à terme et options) et d'une expérience acquise au sein d'une activité de services.

TURN TO Page 18 FOR MORE RECRUITMENT

EXECUTIVES AVAILABLE SWISS/RUSSIAN origin businessman, 47, back from Russia, willing to accept any short/long term missions to Moscow for Trade/PR/Courier. French/English/German/Russian. Tel.: Geneva (41.22) 44.76.88 or Fax: (41.22) 788.18.48.

COMPENSATION OFFICER Washington D.C. Based Contributes to the development and implementation of compensation and job evaluation policies. Primarily responsible for the supervision of the job grading system including the development, issuance, and maintenance of job standards. Maintains data base of information on job standards and position descriptions. Conducts and supervises the conduct of job audits. Conducts organizational structure, personnel management, and compensation studies.

YOU SAW THIS AD. So did nearly half a million well-educated, influential and successful readers. Shouldn't you too place your recruitment ads in the INTERNATIONAL HERALD TRIBUNE?

INTERNATIONAL CONSULTING We represent various companies interested in doing business with Russia, Ukraine, Belarus, Georgia, Armenia, the Central Asian and other republic entrepreneurs and individuals with expertise in Science, Government, Economics, Law and Commerce, as well as familiarity with regional issues, cultures, and languages for part-time and full-time consulting. Your ability to analyze and report on political/economic events and to broker introductions to the movers and shakers in these republics will help our clients get in on the ground floor as the new political/economic structure evolves.

MILAN FASHION

Fur: The Destroyed Look

With Precision, Fendi Takes Skins Back to the Cave

By Suzy Menkes, International Herald Tribune

MILAN — Out on the runway, something stirred: the hairy, ragged coat and clomping feet of a primitive beast. Was it Conan the Barbarian? Was it the Loch Ness monster? No, it was a Fendi fur coat from Karl Lagerfeld's new cave-woman collection.

As a show, Fendi was a riot — not least when the models fell off their six-inch-high (15-centimeter) platform-soled shoes as tubes of ankle-length knitted dresses bobbled their knees. Then there was the fun of guessing what the Italian socialites in their marmelade minks thought of golden sable coats dyed rough as sandpaper inside, sheared weasel left camouflaged khaki, and those keep-you-warm skins perforated with drafty holes.

Lagerfeld's fashion in the raw left every edge savagely scissored, bits of seam gaping open and shapes indeterminate. "Just like a skin thrown over your skin — fur shouldn't be straight down and across — that's too boring," said Lagerfeld, who brought his design associate Gilles Dufour out on the runway to take a bow. To get the primitive effects, the Fendi sisters and their specialist work force had beavered for weeks, slicing layers of ermine together without breaking one top hair, and dying sheared weasel ecological green.

Susan Grufford, correct and conventional in a pink Lagerfeld tweed suit, just loved the show. "I like the destroyed look — it's rather like society today," she said.

Destruction is currently Lagerfeld's fashion thing. He has already ripped chiffon to rags in Chanel couture, following the "destroy" (fashion mood of the avant-garde designers John Galiano and Comme des Garçons. The holes pitting skinny chendille dresses worn over white shirts on the Fendi runway were a nostalgic reminder of Comme des Garçons's Swiss cheese sweaters of 10 years ago.

Lagerfeld is smart at sniffing what is in the fashion air, and his Fendi theme was intellectually clever. Yet the show didn't really come off — even though, removed from their Stone Age surroundings, there were some fabulous coats: a black ermine tipped at the jagged edges with white, or undulating shearing struggled on like a cape.

The slithering free-form silhouettes and special effects were deceptively simple. And that was the problem: Hours of labor by the world's finest workrooms had gone into making fur look like it had been dragged in by a cave-man. So-called raw edges were actually worked with sculpted fineness, and the splits, holes and scaly dinosaur-skin finishes were part of Fendi's technical wizardry.

So what was Lagerfeld up to? After two decades with Fendi, he seems to have taken a politically correct position on controversial fur and decided to destroy its gleaming, glossy animal beauty. Skins were mostly sliced, slashed, perforated, dyed or turned into something dull and scaly. The result was an anti-fur fur collection that was daring — but dangerous. Neiman-Marcus said Wednesday that it was having "a business discussion with Fendi" whether to continue with the line.

Prada's collection had a hint of sex and a touch of the 1960s in the thick, flat, pale wools sliced into geometric coats; in the maxi skirts, mini shorts and loon pants in brushed mohair; and in dresses with



Carefully cut for well-dressed cave-women.

geometric cutouts at the midriff. Among all that were excellent knits with classic modern proportions and Prada's shoes, which are fashion leaders.

What's afoot? An update of the 1970s, with narrow platform soles, chunky thick high heels and hip-gloss patent leather.

Complice did not give the greatest show on earth, but it brings-on-the-clowns parade of pinstripes in cheery checks, or plain colors flashed with bright buttons or patches, made a lively collection. Behind the label are the Dolce e Gabbana design team, and they proved that you can be both kooky and commercial. Their signature curly jacket and narrow pants were the tailored basis of the line. On those were printed a circus pattern, mixes of graphic black-and-white stripes, colorful checks or the ubiquitous animal prints of this Milan season.

Aside from the clown hats and feathers and a few lampshade rulle ball skirts, Complice was serious stuff — but made to look fresh and fun.

Missoni has pasted around town posters of its extended family dressed in its hallmark patterned knits. Rosita and Tai Missoni came out at the end of their show with two of their grandchildren, and the collection looked like it had been done by the new generation in a junior spirit. Along with the magenta-patched sweaters and ponchos came knitted shorts and leggings in the wintry colors that were a theme.

Laura Biagiotti's strength is in castmere, which came this season in both regular and mid-calf lengths for cuddly cable cardigans and sweater dresses. Her show illustrated the current fashion themes for next autumn and winter: a western look shown here as elongated-to-the-ankle cowboy shirts and overalls with patch pockets in cream jersey. There were animal prints, long skirts buttoned to open at front or back and tailoring in gray flannel.

HEALTH / SCIENCE

Vitamins Revitalized as Health Agents

By Natalie Angier, New York Times Service

NEW YORK — Long consigned to the fringes of medicine and accorded scarcely any credibility by that crystal-rubbing or homeopathy, the study of how vitamins affect the body and help prevent chronic diseases is now winning broad attention and respect among mainstream medical researchers.

Scientists, who thought that the basic questions in vitamin research had been solved and that the major benefits of the nutrients were to prevent diseases of deficiency like rickets and beriberi, are learning that most of the vitamins — from A through K and all the subvariants in between — play far more fundamental and long-term roles in the body than anybody had suspected.

They are gathering provocative evidence that vitamins influence nearly every organ, and that these enzymatic chemicals may help forestall or even reverse many diseases of aging, including cancer, heart disease, osteoporosis, a flagging immune system, neurodegeneration and other chronic disorders.

Scientists emphasized that the results were extremely preliminary and should not be viewed as reason to start popping tablets by the fistful. They warned that a few compounds, like the fat-soluble vitamins A and D, can be quite toxic if taken in excessive doses. Nevertheless, scientists are buoyed by their new observations, which reveal molecular mechanisms that go beyond standard assumptions about why vitamins are so vital.

For example, some researchers have suspected for years that certain vitamins, particularly vitamins E, C and beta carotene, may help prevent cancer by scavenging free radical molecules that might harm the cell's fragile genetic material.

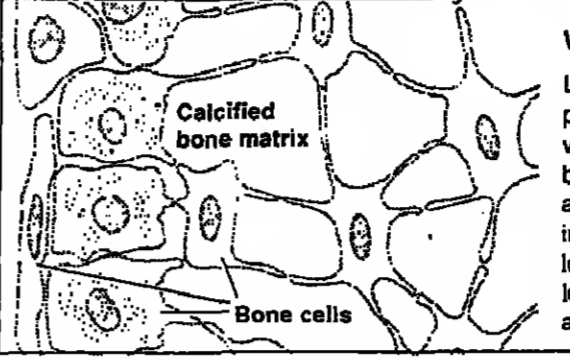
But more recently researchers have discovered that those vitamins, called as a group antioxidant compounds, may also battle cardiovascular disease. They have shown that antioxidant vitamins prevent the body from turning otherwise innocuous cholesterol into a sticky and reactive form that can clog the arteries and set the stage for heart attacks.

Other vitamins, particularly folic acid, seem to counteract cancer by strengthening the chromosomes and perhaps preventing dangerous viruses from infiltrating deep into cells and touching off a tumor. For reasons that remain unknown, folic acid also sharply cuts the rate of neural-tube birth defects,

FOLIC ACID

May ward off cervical cancer by strengthening fragile parts of chromosomes, perhaps preventing viruses from infiltrating deep into cells and causing tumors.

Scientists speculate that some gene sequences are less stable and more fragile than others.



VITAMIN K

Long known to promote blood clotting, vitamin K has also been found to aid absorption of calcium in bone, fighting the loss of the mineral that leads to osteoporosis after menopause.

such as spina bifida, or open spine, and anencephaly, a deadly defect in which much of the brain is missing.

High doses of vitamin E administered to elderly patients stimulated the growth of warrior white blood cells and fired up the production of immune signaling molecules. Vitamin K given to post-menopausal women inhibited the precipitous loss of calcium thought to prefigure osteoporosis.

"We used to think about vitamins strictly in terms of what you needed to prevent short-term deficiencies," said Dr. Simon N. Meydani of the Human Nutrition Research Center on Aging at Tufts University in Boston. "Now we're starting to think about what is the optimal level of vitamins for lifelong health and to prevent age-associated diseases."

Many of the latest results about vitamins were presented at a conference held recently in Arlington, Virginia, by the New York Academy of Sciences, financed in part by a pharmaceutical company that makes highly profitable vitamin supplements. But most of the researchers interviewed said that their

work was independent of the industry and that in any event they did not advocate the use of tablets except in limited circumstances.

Most were far more eager to crusade for traditional heroes like the green, leafy vegetables, fruits and grains that are lush with a wide assortment of vitamins and to lobby for improvement in the American diet.

"We're gradually defining more situations where supplements might be the way to go," said Dr. Douglas C. Heimburger, a biochemist at the University of Alabama in Birmingham. "But I'd still say they're a minor part of the picture. I see supplements as too facile, and I worry that with them, we won't think about our diets a whole lot."

Some researchers caution that in a field like vitamin research, with its potential for faddishness and scientific sloppiness, a healthy serving of skepticism remains in order. They said no vitamin or vegetable should be thought of as a cure-all for the body's many miseries.

"With regard to vitamins and their possible impact on disease, the current evidence is intriguing and to some extent promising, but by no means definitive," said Dr. Charles H. Hennekens of Harvard Medical School. "Right now, the message we have about this field is not for the general public or even the practicing physician, but for researchers. We need larger studies and firmer answers."

But others said they were extremely impressed by the potential of vitamins. "Vitamin research is becoming increasingly sophisticated, and it's not to be taken lightly anymore," Dr. Heimburger said.

Scientists first learned about the role of vitamins by observing what happened to people who had a severe deficiency. Many recommendations for minimum daily doses of vitamins are based on amounts needed to prevent the obvious diseases of short-term deficiencies.

The new era of vitamin studies began when epidemiologists started realizing that the Japanese and others who generally eat low-fat foods rich in vitamins, particularly vegetables, fruits and some fish, often live longer and have fewer chronic diseases than those whose intake of vegetables is limited to the lettuce they put on their cheeseburgers.

But only recently have scientists started discriminating between the advantages of eating a diet low in fat and the distinct benefits of specific fat-soluble vitamins, designed to latch onto vitamins and put them to use.

Another breakthrough in the field was a series of test-tube experiments showing how some nutrients, the antioxidants, are able to deactivate harmful free radicals — chemically reactive substances produced by cigarette smoke, by pollution and sometimes by normal metabolism. Even the action of light striking the eye generates free radicals, by disarming free radicals, vitamins seem to guard against cellular and genetic mayhem.

Although vitamins are found in meats, dairy products and eggs, they are particularly abundant in vegetables and fruits. Some scientists believe there is a reason why the human body is especially dependent on compounds that plants have to offer.

They propose that our forebears evolved largely as vegetarians; and that human metabolism developed to wrest the greatest possible nutritional benefit from what was then the most easily available food.

Scientists Retract Findings on Alzheimer's

By Robin Herman, Washington Post Service

WASHINGTON — Research into Alzheimer's disease has taken a serious blow with retractions of papers by two groups of scientists who said they each had developed an animal

model for the debilitating brain disease that afflicts about 4 million Americans. In addition, one of the studies has prompted questions about the possibility of misconduct.

Both research groups reported in scientific journals that they had used genetic engineering to breed mice carrying a human gene linked to Alzheimer's and then found brain changes as the mice aged that were strikingly like those in human Alzheimer's patients.

The articles had created great scientific interest. An animal that reliably develops Alzheimer's would allow scientists to unravel how the currently incurable disease begins in humans and to experiment with treatments. Such a mouse model would have an immediate economic benefit as a patentable product for the researchers. "Transgenic mice" — those manipulated to carry certain human

genes — have already been patented in the study of cancer. Alzheimer's is an alarmingly common degenerative disease — the most common form of dementia in the elderly. It strikes 10 percent of the population over 65 years of age, according to the Alzheimer's Association.

By the time people reach their mid-80s, half will suffer from Alzheimer's, which attacks the brain and results in impaired memory, thinking and behavior.

The first questions about the Alzheimer's studies surfaced several weeks ago when one group of scientists acknowledged in an interview that they could not reproduce their results. That group is now the subject of an inquiry by the National Institutes of Health to determine if an investigation of scientific misconduct is warranted, according to a spokeswoman at the National Institute on Aging, a division of NIH.

NIH officials refuse to comment on any aspects of the inquiry.

NEUROLOGY expert unattached to the inquiry who has examined the photographs published Dec. 12 in the British journal Nature and slides provided by the researchers raised questions about whether the tissue said to be diseased mouse brain may actually be tissue from deceased Alzheimer's patients. The authors, Jon W. Gordon of Mount Sinai School of Medicine in New York; Shigeki Kawabata, a visiting scientist at Mount Sinai from Yamanouchi Pharmaceutical Co. of Tokyo; and Gerald Higgins of the NIA, retracted their paper last week.

Dr. Higgins has strongly denied any wrongdoing and has sounded distressed and baffled by the turn of events. "I assure you," he said, "there is no misconduct involved here."

Another retraction of Alzheimer's research will appear this week as a letter in the journal Science. Dana Wirak and colleagues at Miles Research Laboratory in Connecticut and at Johns Hopkins in Baltimore thought they had seen changes in protein deposits in the brains of their transgenic mice similar to what occurs in Alzheimer's and published their paper in the July 19, 1991, issue.

But another group of Alzheimer's researchers at Johns Hopkins, headed by neuropathologist Donald L. Price, has since shown the Wirak group that these changes occur naturally in all aged black mice of the same strain used in the study and that the deposits they found were not the proteins related to Alzheimer's. Price said his findings will also appear in this week's issue of Science.

IN BRIEF

Broader Screening Urged For Cholesterol in U.S.

WASHINGTON (WP) — A blue-ribbon panel of U.S. scientists has greatly broadened the current recommendations for cholesterol screening, with the aim of identifying even more people at risk for heart disease.

If accepted by the medical community, the recommendations of the federally sponsored group would extend to an additional 100 million American adults a blood test now generally administered only to the 74 million judged to be at moderate or high risk for heart disease.

Specifically, the panel said that everyone tested for total blood cholesterol should also be tested for levels of high density lipoprotein (HDL), the so-called "good cholesterol." HDL appears to protect against the accumulation of fat in blood vessels.

The five-year-old National Cholesterol Education Program recommends that everyone over age 20 get a cholesterol blood test at least once. In cases of low blood levels of HDL, the measurements should be repeated at least once, and preferably twice, before a patient is started on a long-term course of treatment, the panel added.

In a wide-ranging set of recommendations, the panel also emphasized strongly that "lifestyle" treatment — such as losing weight, quitting smoking and lowering fat in the diet — is generally much preferable to drug treatment for persons who fall in the broad category of "moderate" risk for heart disease.

Method Reported to Fight Nitrates in Groundwater

NEW YORK (NYT) — Scientists say they have found a way to use a plant enzyme to rid underground drinking water of nitrates, a dangerous and increasingly widespread pollutant.

They say the method is very effective, but they still must work out technical problems to make it economically feasible.

The discovery is important because nitrates are reaching dangerous levels in groundwater in the United States, and scientists have had little success in finding effective treatments to reduce those levels. Nitrates are most commonly used in fertilizers, especially sodium and potassium nitrates. Numerous water wells have had to be abandoned because of the lack of a way to deal with the problem.

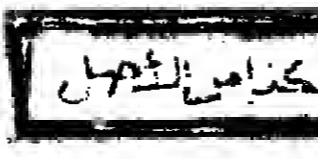
The researchers, from Germany and the United States, reported in the journal Nature that they had designed a two-step chemical

process using an enzyme, nitrate reductase, from seedlings of the corn species Zea mays.

Subscription advertisement for the International Herald Tribune. Includes a large graphic 'TWO EXTRA MONTHS FREE with a 12-month subscription' and a table of subscription rates for various countries.

Crossword puzzle section. Includes the title 'ACROSS', a list of clues, the puzzle grid, and the solution for the March 11 puzzle.

Advertisement for Paperlink software. Features the headline 'Paperlink Push in' and text describing the software's capabilities for office automation and document management.



ADVERTISEMENT

ADVERTISEMENT

Office Automation

Paperless? New Techniques Push in That Direction

It took a lot longer than expected, but the paperless office is almost a reality in some sectors, notably insurance and financial services.

The advent of the paperless office has been made possible by sophisticated new scanning, storage and network technologies. "Greater productivity and efficiency caused by greater speed of access" is how one Wiesbaden-based computer executive describes the paperless office's cost-saving advantages.

But access, as companies around the world have been discovering over the past years, is by not always an entirely positive attribute. Tradition-

more direct link is a full-color, full-motion, 3-D simulation on a workstation monitor.

"The PC is out: The new workstations are here!" blared, inaccurately, a recent headline in the German business weekly Impulse. Actually, there is no longer any hard and fast distinction between a high-end PC and a workstation. With the proper equipment, both can record and render images, sound and motion. The difference between a workstation and a 486-range PC is only a larger monitor and memory capacity, plus software configuration.

Moreover, although workstations are parlaying their technical chic into annual growth rates of 50 percent in Europe's markets, both are increasingly to be found doing the same job in the same operating environment: as central data repositories in a network.

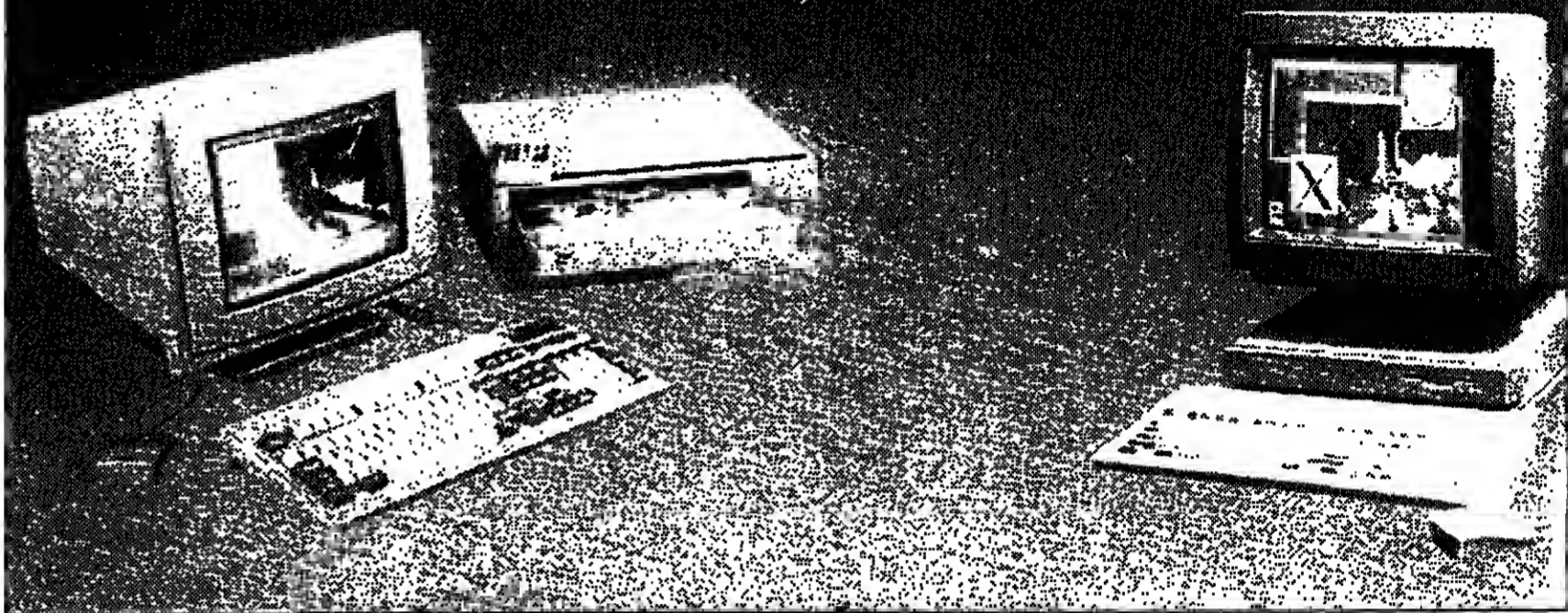
According to a recent study published in the German trade journal Computerwoche, it takes 15 months for a new device to be integrated into an office's daily interactions. Once the new device has been understood by office workers, a second, stronger demand for the product is unleashed.

Networks are one example. Most were introduced into West European offices two to three years ago. In 1991, the first year in which the networks' growing pains finally abated, demand for "netware" (network software and services) rose by 27 percent to total more than \$1.5 billion.

The "in-reach" of multimedia software and hardware is another example. Until recently, there was a disjunction between what was being produced on workstations and high-end PCs for external consumption — full-fledged oral and visual presentations — and the streams of data circulating around the network.

Thanks to such producers as Next, that is changing. Its advanced prod-

A workstation for the office of the 1990s, as visualized in an ESPRIT project. It allows the manipulation and publication of video, graphics, voice, sound and text. Central to the system is a compact disc with read-only memory (top right) that provides access to data banks.



company out of business. Retaining existing data has become as important as acquiring and processing new information, with important consequences for office organization and personnel.

A network can be designed to protect itself. To restrict access from without, many of the new multimedia technologies are providing more sophisticated barriers against unwarranted entry than the previous systems of cards and passwords. They now use voice and face recognition.

To restrict access from within, computer planners have reversed the network-operator relationship. Individual computers can now be the subject of a network's monitoring

most numerous are the growing number of work-at-homes.

The communication services are called Euromessage, Eurosignal and Citypager. These are part of what is grandiloquently being called the PCN — Personal Communication Network. Logically enough, the PCN's instant information services are employed in emergency situations such as traffic accidents or environmental catastrophes, where the need for speed and detailed information is real and urgent.

The various stations in a hospital are linked to each other in WANs some 300 to 500 units strong. With a PCN, doctors can have patient data evaluated on the spot, saving valuable time and allowing for prompt assistance.

Plans are afoot to improve emergency services even further through the introduction of "patient cards." These are set to be introduced throughout Germany over the next couple of years and will contain all relevant medical information.

"Work-at-homes" are generally not at the top of corporate ladders and have little of the dashing glamour of "road warriors."

Their growing numbers are caused by skyrocketing corporate rents and information-technology costs. It is simply cheaper to have someone plug into a network than to have them on-site, occupying a computerized workplace, the costs of which start at \$70,000 and go up.

Terry Swartzberg

Color copiers and laser printers making an impact

al linkages — between telecommunications and data communication, documents on paper and computer memories — were cumbersome and space-consuming, but they did serve as barriers against infiltration by undesired parties.

There are many of these. Though last week's computer virus scare only caused minimal damage to hard disks, Europe's companies are quietly taking measures to safeguard their integrated offices and corporate records against another, more pervasive enemy: the disgruntled employ-

ee. The growing capacities of today's information-technology devices have made it increasingly urgent to control them: "There is a direct relationship between performance and the need for protection," states Rainer von zur Mühlen, a leading information-technology security expert.

For most office workers, the installation of the new high-technology devices has had one very bright side — the proliferation of color.

"Despite all the improvements in computers, the one most striking change I've encountered most often in offices this year has been the proliferation of color photocopiers," says Peter Schröder, vice president for Europe of Conner Peripherals, a major manufacturer of hard disks and disk drives.

"Rarely nowadays do you get a presentation that isn't in color," he adds. The spread has been rapid — a total of some 13,000 color copiers will be sold this year in Europe, according to Holger Wohlenberg, European head of planning for Minolta. Long a leader in office machines and cameras, Minolta is now pioneering zoom technology in photocopy machines. The use of color laser printers is also rising rapidly; they now account for 7 percent of total European laser-printer sales — not bad for technologies that have been introduced only over the past two years. Color — plus dimension, sound and motion — is putting an end to the sensory deprivation inherent in the old worker-terminal relationship. Data used to appear on monitor screens in lines of monochromal letters and numbers, to be read and processed by a passive operator. The introduction of LANs (local area networks) and WANs (wide area networks) only exacerbated the problem. Office personnel were on-line all the time as the network became the sole source and destination of information and instructions.

Over the last few years, color monitors and "window" type software have become standard features of European offices, boosting Microsoft and Apple to double-digit rates of growth. Industry specialists tend to focus on the practical applications of multilayered, "multi-tasking" operations.

Office personnel, whose inclinations are sooner or later incorporated into purchasing decisions, have favored this software because of its ability to convey the sensations of depth and variety and thus enrich individual experiences of PCs and networks.

Full-color printers and photocopiers, with their hundreds of fonts, software linkups and graphic possibilities, form the "paper link" between these "enriched" networks and the outside world. Another,

acts use microphones and video cameras to record sounds and sights, which are then transferred around the network.

What this means is that, allowing for the acceptance cycle to run its course, by next year at this time the silent office should be as much a thing of the past as black-and-white presentations.

In the early days of office-information technology, workers who were not quite secretaries did enormous amounts of typing. They were generally referred to (incorrectly) as "programmers," and their job was to transfer data into computers.

The paper itself was put in file cabinets and then, when age or further events had robbed it of its topicality, taken to musty basements, to be stored in the records department.

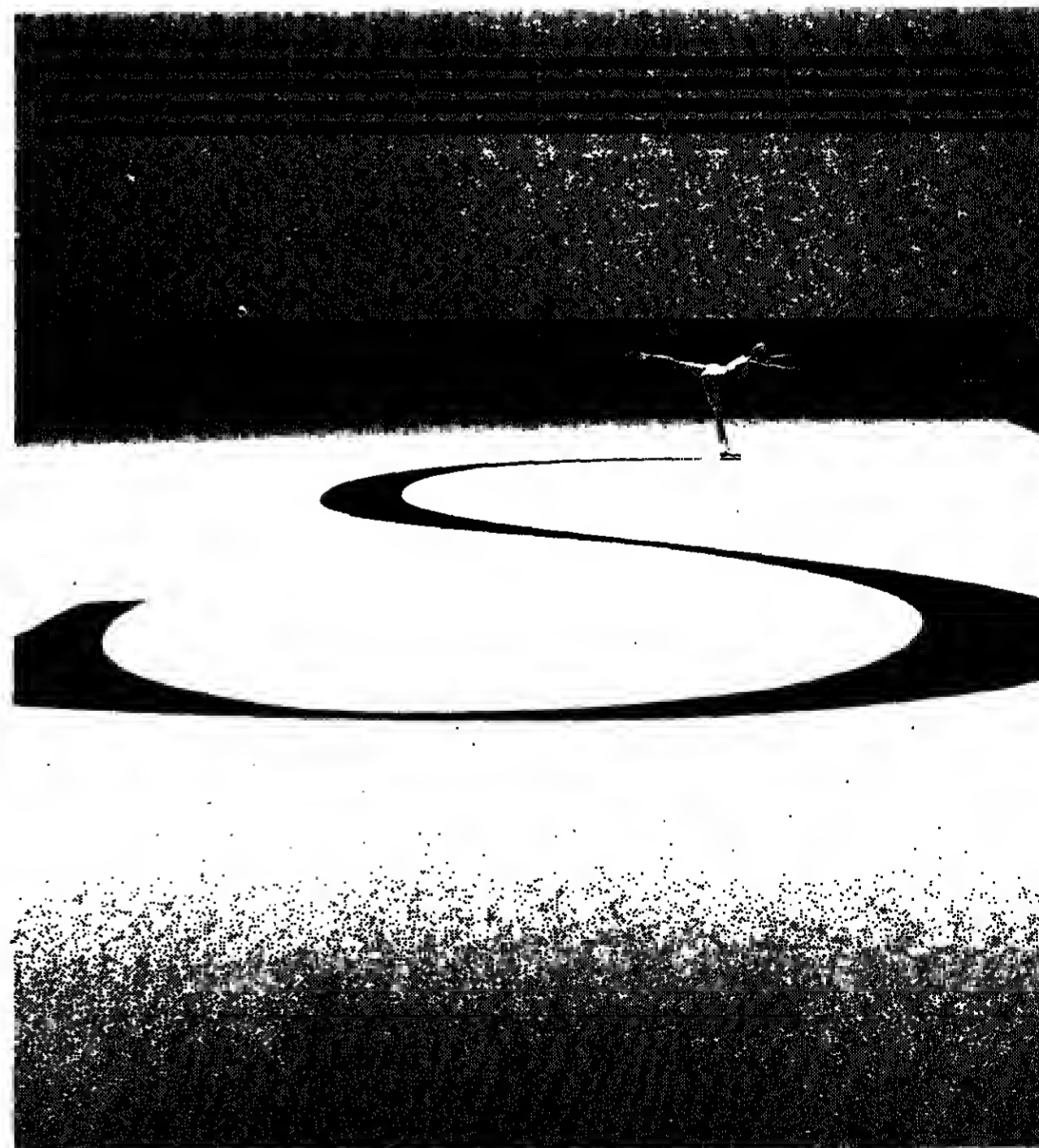
These programmers have been replaced by "scanners" (electronic scanning devices capable of reading data and then incorporating it into data bases). The records department is now called an "electronic archive" and is much smaller, being made up of hundreds of laser disks. The only files to be found in the new, almost paperless office are on-line in computers.

As one might expect, insurance and other financial-service companies are leading the way in instituting the change from paper-based information processing to total computerization.

Paper does, however, have one advantage: to paraphrase a German proverb, it is patient and persistent. A virus erasing a bank accountant's hard disk means many hours of reprogramming from the company's paper files and records; sabotage of an electronic archive could put a

New skills will be needed by staff doing different tasks in a changing environment. In the end, certain work need not even be done in an office.

Enjoy a superior performance in the art of fine printing.



Paper Tray of Minolta copiers



Whatever you think of — Copiers, Fax or Laser Beam Printers — you'll want the ultimate in quality printing. Minolta set the standard a decade ago with its Micro-Toning System. Today it is still the first choice for all business equipment. And the surest way of achieving smooth and solid blocks, fine and crisp lines. Check it out for yourself — you'll enjoy the performance. Fax · Copiers · Laser Beam Printers Minolta. The simplicity of intelligence.



Minolta GmbH R.F.D. In den Kalkweiden GR D 50121, Mönchengladbach | Tel. 0204 711 72 (ext. 1)

This advertising section was produced in its entirety by the supplements division of the International Herald Tribune's advertising department. It was written by Terry Swartzberg, a free-lance journalist based in Munich.

NYSE

Wednesday's Closing
Tables include the nationwide price up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

Market data tables including NYSE High-Lows, NYSE High-Lows, AMEX High-Lows, and various stock price listings with columns for stock names, prices, and volume.

It has taken nationalisation, seventeen years and a completely new international network.



But the Espírito Santo Group now have their bank back.

When all the Portuguese banks were nationalised in 1975, the Espírito Santos lost Banco Espírito Santo e Comercial de Lisboa. On February 25th, they finally regained it.



ESPIRITO SANTO FINANCIAL HOLDING S.A.

NEW YORK

...noted by the from the man many investors their companies announced that GE executives usual...
...More have also been...
...demanding circumstances...
...He joined Allied-Signal...
...Mr. Gault, who had ris...
...founder. By the time he left...
...jumped to more than \$1.5...
...earnings had grown even

WHEN MR. GAULT

announced, the "Gault has brought a producer focus, to G... follows the company in C...
...Old-line industrial comp...
...to respond to the GE touch...
...executive when he left im...
...of Ryland Group...
...Columbia, Maryland, after...
...Analysis said that Ryland...
...line Mr. Schepke arrived, b...
...perspective he brought from...
...contracts.

What other companies w...
...of companies led by forme...
...William Anders; Wang L...
...and Harry C. Stonecrop...
...McCom Thomas A. Van...
...At Zare Industries (Geor...
...Kenzie and Systems and...
...East.

Many of these companie...
...erly weeks after former C...
...Of course, the record is n...
...Systems & Computer Tec...
...puter systems for universit...
...rather earlier since Micha...
...Its arm at the compar...
...conviction of Frederick Gr...
...changes of insider trading...
...company's stock has fluctu...

CURRENCY RATES

Currency	Rate
British Pound	1.66
French Franc	6.55
German Mark	1.36
Japanese Yen	136
Swiss Franc	1.48
Italian Lira	2036
Spanish Peseta	166.64
Portuguese Escudo	200.48
Dutch Guilder	1.83
Australian Dollar	1.54
Canadian Dollar	1.36
South African Rand	1.50
Israeli Sheqel	3.48
South Korean Won	200
Thai Baht	50
Singapore Dollar	1.36
Malaysian Ringgit	2.36
Indonesian Rupiah	1666
Philippine Peso	46.5
Chinese Yuan	8.27
Indian Rupee	46.5
Chinese Hong Kong Dollar	7.75
Chinese Taipei Dollar	20
Chinese New Taiwan Dollar	20
Chinese Renminbi	15.84
Chinese Yuan	8.27
Chinese Hong Kong Dollar	7.75
Chinese Taipei Dollar	20
Chinese New Taiwan Dollar	20
Chinese Renminbi	15.84

INTEREST RATES

Instrument	Rate
3-month T-bill	5.75%
6-month T-bill	5.75%
1-year T-bill	5.75%
3-month Eurodollar	5.75%
6-month Eurodollar	5.75%
1-year Eurodollar	5.75%
3-month Certificate of Deposit	5.75%
6-month Certificate of Deposit	5.75%
1-year Certificate of Deposit	5.75%

Key Money Rates

Instrument	Rate
3-month T-bill	5.75%
6-month T-bill	5.75%
1-year T-bill	5.75%
3-month Eurodollar	5.75%
6-month Eurodollar	5.75%
1-year Eurodollar	5.75%

To our readers in Berlin
You can now receive the IHT
hand delivered to your home or office
every morning on the day of publication.
Just call us toll free at 0130 84 85 85

اسكروان العرب

INTERNATIONAL MANAGER
Ex-GE Managers Bring
Good Things to New Jobs

By Barnaby J. Feder
New York Times Service
NEW YORK — So many companies have been rejuvenated by the arrival of a new chief executive drawn from the management of General Electric Co. that many investors feel as if they have hit a jackpot when their companies announce such recruiting coups. Companies that hire GE executives usually get managers who have experience running businesses that would be among the largest U.S. companies if they were independent.

Most have also been through GE's admired management training courses and have absorbed GE's global perspective. "It takes a special leader to rise to the top of GE, or near it," said Howard A. Rubel, an analyst who follows the company for C.J. Lawrence. "Anyone who gets there has faced a host of demanding circumstances and has seen more than one industry. Analysts call the good fortune that often follows GE executives to other companies the halo effect, and it has been particularly strong in the last year.

In June, when Allied-Signal Inc. announced that Lawrence A. Bossidy, General Electric's co-vice chairman, would replace Edward Hennessy as chief executive, the company's share price immediately jumped 13 percent. That trend continued as Mr. Bossidy embarked on a cost-cutting overhaul of Allied-Signal's operations.

He joined Allied-Signal less than a month after one of GE's best-known alumni, Stanley C. Gault, took over at Goodyear Tire & Rubber Co.

Mr. Gault, who had risen to be head of all of GE's industrial-products businesses, left in 1980 to manage Rubbermaid Inc., the rubber-products company in Wooster, Ohio, that his father co-founded. By the time he left Rubbermaid for Goodyear, sales had jumped to more than \$1.5 billion from about \$300 million, and earnings had grown even faster.

WHEN MR. GAULT'S appointment to Goodyear was announced, the company's stock jumped \$3 a share. "Gault has brought a new marketing focus, as opposed to production focus, to Goodyear," said Saul H. Ludwig, who follows the company in Cleveland for Roulston & Co. "And he's convinced employees at all levels that they are on a winning team."

Old-line industrial companies are not the only ones that seem to respond to the GE touch. Roger Schipke, the top GE appliance executive when he left in 1990 after 29 years, became chief executive of Ryland Group Inc., a home-building company in Columbia, Maryland, after a short transition period as president.

Analysts said that Ryland was a well-managed company before Mr. Schipke arrived, but that it has benefited from the global perspective he brought from GE by winning its first international contracts.

What other companies would currently make up a mutual fund of companies led by former GE executives? General Dynamics; (William Anders); Wang Laboratories (Richard Miller); Sundstrand (Harry C. Stonecipher); Rubbermaid (Walter Williams); M/A-Com (Thomas A. Vanderslice); USF&G (Norman P. Blake Jr.); Zorn Industries (George Schofield); Clean Harbors (Clyde Keaton); and Systems and Computer Technology (Michael J. Emmi).

Many of these companies enjoyed healthy stock gains in the early months after former GE executives took control.

Of course, the record is not perfect. Systems & Computer Technology Corp., which develops computer systems for universities and other institutions, has been on a roller coaster since Michael J. Emmi was recruited in 1985.

His arrival at the company followed a scandal that led to the conviction of Frederick Gross, the previous chief executive, on charges of insider trading and securities violations, and the company's stock has fluctuated since then.

An International Dogfight in U.S. Skies

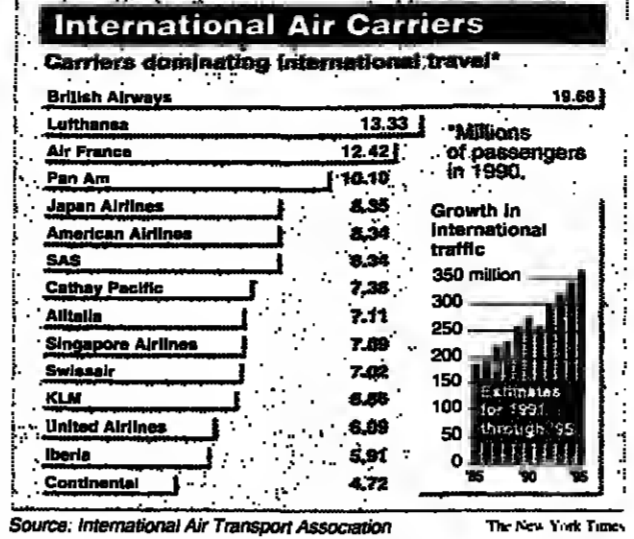
By Edwin McDowell
New York Times Service
NEW YORK — Alarmed by the recent encroachment of U.S. airlines, a growing number of foreign carriers are fighting back. Instead of merely musing over market share, some of those carriers are struggling for their lives. Many airlines that were once content with flying to America's coasts are now adding international flights to the interior. Cities like Charlotte, North Carolina, Minneapolis and Detroit are becoming gateways.

Some airlines are asking their governments to shelter them from the competitive storm by forcing American rivals to raise their fares.

More carriers, including British Airways and Lufthansa, are seeking alliances with other airlines. British Airways, Japan Airlines, Air Canada and Air New Zealand have all been privatized in the last five years in an effort to become more competitive, and several Asian and Latin carriers are planning to follow suit.

In one of the boldest moves, Iberia of Spain is setting up a Miami hub that is the first in the United States owned by a foreign carrier. The hub, scheduled to begin operating in May, will serve passengers and cargo throughout the Americas, Europe and the Caribbean.

"What you are witnessing is an industry undergoing one of the most colossal transitions ever, anywhere," said Albert A. DeLauro, director of the transportation practice for Towers Perrin, the management consultant firm. Foreign carriers confront U.S. airlines that are adding scores of international flights, cutting fares and stepping up their marketing. The stakes in this contest are high, because international air traffic will double to 214 billion passenger miles in 2000, according to the U.S. Department of Transportation.



Source: International Air Transport Association The New York Times

Industry executives expect only a handful of airlines to emerge as global carriers — carriers with extensive domestic networks to feed their international routes and sophisticated computer systems for keeping track of airline reservations, plus tour packages, rental cars and hotel reservations.

Sir Colin Marshall, the chief executive of British Airways, has forecast that no more than 12 global airlines will emerge by the end of the decade. Some industry analysts expect only half as many.

They believe the other survivors among the world's more than 150 international carriers will have to satisfy themselves with national, regional or niche markets.

Some analysts worry that the remaining airlines will charge higher fares, but most airline executives say there will be enough competition to keep prices reasonable.

See AIRLINES, Page 13

Japan's Surplus Hits Record as Economy Slows

By Steven Brill
International Herald Tribune
TOKYO — Surging exports by Japanese companies suffering sluggish sales at home helped Tokyo's trade surplus more than double in February to a record \$10.22 billion, heightening pressure on the government to boost domestic demand.

The 12.4 percent jump in February exports, to \$28.08 billion, was largely the result of companies trimming their bulging inventories by unloading goods abroad, mainly in Asia and the Middle East, economists said. But with continued slack growth at home and expectations for an upturn in the United States, Japanese companies could launch more aggressive export drives to the West despite the sensitive political climate, they said.

There's the risk that from here on, as Japanese companies have little confidence in the domestic economy, they could turn to America for growth," said Jesper Koll, economist at S.G. Warburg Securities.

A Finance Ministry official tried to play down the idea that an export surge was beginning. "I think we should continue to watch the statistics for a while more to say whether this is a real trend," he said.

But private-sector economists said conditions were ripe for continued growth in exports, if not an all-out export drive. The U.S. economy has begun showing signs of growth, and recovery there is likely before a Japanese turnaround, which is not expected until later this year. Meanwhile, the competitiveness of Japanese goods has been increased by the recent weakening of the yen.

The Bank of Japan intervened in the currency markets again on Wednesday in an another ill-fated attempt to stem the dollar's rise. Although the bank wants the yen to strengthen, further weakening could help relieve political pressure in the short term by depressing the value of Japanese exports in dollar terms, economists noted. (Page 12)

The government is clearly moving toward greater stimulus, on both the monetary and fiscal fronts. The Bank of Japan is widely expected to trim its discount rate

by a half point to 4.0 percent in the next few weeks. Indeed, expectations of a cut have been a major factor behind the yen's weakness.

Also, Prime Minister Kiichi Miyazawa said Wednesday he was strongly in favor of the government adopting a comprehensive package of pump-priming measures.

Last week, the cabinet endorsed a stimulus program that included calls for early implementation of public-works projects and capital spending by utilities, and low-interest loans to small companies. Those efforts were largely dismissed as nothing new.

A final decision on a more comprehensive package is likely after mid-April, when parliament is expected to pass the fiscal 1992 budget. Such a package would be the first of its type since a 6 trillion yen (\$45 billion) program was enacted in May 1987, to counter the effects of the surging yen.

"If the Japanese government doesn't develop a strongly stimulative policy, the trade surplus will surge in the coming months," said Masaru Takagi, chief economist of Fuji Research Institute.

February's \$10.22 billion surplus was a 102 percent increase from \$5.06 billion in February 1991, the Finance Ministry noted.

Japan's surplus with the United States widened for the third month in a row, jumping 29.2 percent to \$3.68 billion. The surplus with the European Community surged 31 percent to \$3.34 billion and its surplus with non-Communist Asian countries, which has been on the rise since March 1990, rocketed 80.1 percent to \$3.4 billion.

Exports, boosted by sales of cars, ships and semiconductors, rose for the 21st straight month. They rose most sharply to Asia, jumping 13.0 percent to \$8.85 billion. Exports to the Community rose 8.1 percent to \$5.70 billion and exports to the United States advanced 7.0 percent to \$7.94 billion.

Imports, depressed by slack demand for luxury goods such as paintings and European cars, as well as sharply lower crude oil prices from a year ago, fell 10.3 percent to \$17.86 billion.

Courting China's Wealthy Consumers

Foreigners See a Spending Boom

By Laurence Zuckerman
International Herald Tribune
GUANGZHOU, China — After years of false starts and frustrating obstacles, many foreign food and consumer-products companies are beginning to reap substantial rewards from the legendary and elusive China market.

Starting from beachheads in booming Southern China, many Western companies believe they will soon be poised to fan out throughout the country.

"Everything I see and feel and touch indicates that the rest of China is going to move in the same direction as the south," said George Gustin, a Hong Kong-based executive for Avon Products Inc., which has recruited more than 10,000 Chinese sales representatives since it began selling in Guangzhou 16 months ago.

Double-digit growth that saw surrounding Guangdong Province's savings quadruple between 1986 and 1990 is fueling a buying spree; southern China's increasingly sophisticated consumers are purchasing everything from gourmet baby food to high-end stereo systems.

According to official figures, total retail sales in Guangdong jumped almost 16 percent in 1991, nearly a sixfold increase since 1980. Analysts at Hongkong & Shanghai Bank predict that China's retail market will continue to grow an average of 10 percent a year until 1995.

Many of the foreign companies that are beginning to cash in on this rise missed out on China's first big consumer spending wave in the mid-1980s because they had not set up operations inside the country.

Now, however, dozens of foreign joint ventures, including companies such as H.J. Heinz, Procter & Gamble, Lever Brothers and General Foods, are selling their products inside China protected by import duties on toothpaste, soap and



Source: Reuters

shampoo that range from 200 to 250 percent. With their higher quality and foreign cachet, joint-venture products have quickly captured a large portion of the market even though they cost as much as six times more than a local brand.

According to market surveys, Lux soap, which is manufactured by a Lever Brothers joint venture and sells for two-and-a-half times the price of the local brand, now accounts for half the soap sold in Guangzhou, a city of nearly 6 million people.

After a decade of increasing prosperity, most local households are equipped with such items as a television, washer and refrigerator. Now they are branching out into luxury items such as cosmetics, clothes, fancy foods and \$200 watches and fountain pens.

Avon's hottest-selling item now is its most expensive product: a skin cream called Advanced Night Support that sells for 95 yuan (\$17). Executives projected they could sell between 2,000 and 3,000 a month. Instead, they are selling between 6,000 and 7,000.

"Living standards have risen so people want more sophisticated types of things," said Ziang Jianzuo, Avon's regional manager.

See CHINA, Page 13

A 3d Stock Exchange Is Planned

Compiled by Our Staff From Dispatches

BEIJING — China announced plans Wednesday to open a third stock market and attract more foreign investment in shares.

The decision to open a third market reflects the government's desire to tap private savings for investment in state industry. The central government has gone deeply into debt pumping funds into state factories, but many are still losing money because they are inefficient, overstaffed and lack modern technology and equipment.

Ideological hard-liners in the leadership slowed the development of China's stock markets for several years because they regarded market trading as a form of gambling. They also feared stock issues would dilute state ownership of industry.

The Xinhua news agency quoted an official of the People's Bank of China as saying the exchange would be located somewhere in north China, dashing Guangzhou's hopes of opening its own exchange. The central bank official said the location would be decided upon this year.

"The new stock exchange, along with the present two in Shenzhen and Shanghai, will form a stock-trading network," the official was quoted as saying. The news agency said companies outside the three cities would be allowed to trade stocks on these exchanges, making them national in scope.

The tiny, year-old stock markets in Shanghai and Shenzhen currently trade fewer than two dozen stocks.

Guangzhou officials have openly lobbied for central government permission to start a stock market, but Beijing may have felt there was no need for another market in southern China. The region is next door to Shenzhen, which in turn is on the border with Hong Kong. (Reuters, AP)

CURRENCY RATES

Table with columns for Currency, Par \$, and March 11 rates. Includes Amsterdam, Australia, Belgium, Canada, Denmark, France, Germany, Hong Kong, Italy, Japan, Korea, London, Mexico, Netherlands, New York, Singapore, Switzerland, Taiwan, Thailand, U.K., U.S., and West Germany.

Units of 100; N.A. not available.

Other Dollar Values

Table with columns for Currency, Par \$, and March 11 rates. Includes Argentina, Australia, Austria, Belgium, Brazil, Canada, Denmark, France, Germany, Hong Kong, Italy, Japan, Korea, London, Mexico, Netherlands, New York, Singapore, Switzerland, Taiwan, Thailand, U.K., U.S., and West Germany.

Forward Rates

Table with columns for Currency, Par \$, and Forward rates for 30-day, 60-day, and 90-day periods.

INTEREST RATES

Table with columns for Eurocurrency Deposits, Par \$, and March 11 rates for 1-month, 3-month, 6-month, and 1-year periods.

Key Money Rates

Table with columns for United States, Par \$, and March 11 rates for Call money, Discount rate, Federal funds, Prime rate, 3-month Treasury bills, 6-month Treasury bills, 9-month Treasury bills, 1-year Treasury bills, 3-month CDs, and 6-month CDs.

Asian Dollar Deposits

Table with columns for Currency, Par \$, and March 11 rates for 1-month, 3-month, 6-month, and 1-year periods.

U.S. Money Market Funds

Table with columns for Fund Name and March 11 rates.

GOLD

Table with columns for Location, Par \$, and March 11 rates.

Hung U.K. Parliament Would Hurt Economy

By Erik Ipsen
International Herald Tribune

LONDON — With Labor and the Conservatives running neck and neck in the polls just four weeks before the general election, a hung Parliament is looking like the most likely outcome. That could kill any hope of an economic recovery in Britain this year, economists said Wednesday.

"A hung Parliament would be the worst possible outcome," said Patrick Foley, chief economic advisor to Lloyds Bank, referring to a Parliament in which both major parties fall short of the needed 326-seat majority.

By most accounts, Britain's recession is now near its end. The problem is that the next economic act — a recovery — is nowhere to be seen.

Economists are blaming pre-election paralysis. "If you are contemplating a major investment or spending decision it makes sense to delay it until after the election to see for sure what sort of tax or spending regime you will face," said Paul Ormerod, a director of the Henley Centre for Forecasting in London.

Britain's beleaguered automakers, for instance, could be left wondering for months about plans to halve the tax on new cars, announced Tuesday in the 1992 budget. The £400 (\$700) cut was expected to boost sales, but doubt over whether it will last will make it difficult for manufacturers to plan production and investment.

A hung Parliament would only drag out the uncertainty. A minority government would face the threat of a new election at any time. One party in a coalition government would similarly be eager for a return to the polls as soon as it felt confident enough of the outcome.

In either case, the party in power would have its eyes set on the next election, not on long-range policy initiatives. "The party in power would just be muddling through waiting for an upturn in the economy and hoping to call an election when it comes," said Andrew Dilnot, the head of the Institute for Fiscal Studies.

Analysts say uninspired leadership could be the least of the problem. Both parties would be eager to win votes and disinclined to take unpopular steps.

Some analysts point to a minority Labor government formed in February 1974. Although faced with a stagnant economy and spiraling inflation, the government lacked the will to take politically unpopular corrective steps. It was only after Labor had gained its majority in a second election in October that it began actively to attack inflation. "They postponed action and therefore even more draconian measures were needed," said Mr. Ormerod.

The political uncertainty stemming from a hung Parliament would also unsettle financial markets. Analysts say the currency could take such a beating that the government would have to choose between

See HUNG, Page 13

BANCO ESPIRITO SANTO E COMERCIAL DE LISBOA advertisement featuring a large logo and contact information for various international branches.

MARKET DIARY

Bush Remarks Hit Bonds, Then Stocks

NEW YORK — Prices slid Wednesday on the New York Stock Exchange, hurt by a soft bond market, comments by President George Bush and heavy losses among overseas markets.

The Dow Jones industrial average declined 22.36 points to 3,208.63. Walt Disney, Merck and

slide to disappointment over Tuesday's budget announcement and political uncertainty ahead of the April 9 general election.

In Tokyo, the Nikkei index tumbled 1.26 percent to 20,592.14, its lowest close since October 1990.

Broader U.S. indexes also eased Wednesday. The NYSE composite index fell 1.47 to 223.55, while Standard & Poor's 500 index declined 2.85 to 404.04.

Declining issues overwhelmed advances by a margin of more than 2 to 1 on volume of 185.32 million shares, compared with 194.53 million Tuesday.

The American Stock Exchange index fell 2.69 points to 405.85, while in the over-the-counter market, the Nasdaq composite index slid 6.32 to 617.14.

Vallis Communications Inc. paced the Big Board actives, quoted at 16% on its initial trading, its 22.1-million-share offering was priced at \$17 a share.

(Bloomberg, Reuters, UPI)

N.Y. Stocks

Minnesota Mining & Manufacturing led the decline, and a round of computer-guided sell orders also weighed on the index.

Mr. Bush said he was more concerned about stimulating the economy than about reducing long-term interest rates. His remarks sent the government bond market into a tailspin, pushing the yield on the 30-year bond up to 7.95 percent from 7.90 percent on Tuesday.

London's FT-SE 100 index fell 52.4 points, or more than 2 percent, to 2,522.4. Analysts attributed the

Dollar Under Pressure But Gains on Weak Yen

NEW YORK — The dollar was mostly lower on Wednesday because of a technical correction that was helped along by some central bank intervention, but it held onto gains against the weakening yen.

"There was a little bit of technical pressure on the dollar," said

be destructive for the SNB's efforts," he said.

The mark ended at 80.29 yen, up from 79.53 on Tuesday. With the Swiss intervening to support the franc, the mark eased to 0.9063 francs from 0.9065 at the opening.

The dollar fell to 1.5065 Swiss francs from 1.5165 on Tuesday, and to 5.6435 French francs from 5.6740. This pound rose to \$1.7280 from \$1.7175.

Many traders were waiting to see if February U.S. retail sales data, due Thursday, would bring more evidence that an economic recovery was taking hold. Analysts were expecting a 0.7 percent rise in sales.

Bill Bertha of Mellon Bank said weekly jobless claims, due at the same time, could be equally important. "Anything much over 450,000 would be pretty negative," he said.

The dollar was mixed in London earlier, slipping to 1.6650 DM from 1.6710 on Tuesday but rising to 1.6770 yen from 1.6785.

Foreign Exchange

Bob Hatcher of Barclays Bank. "We've seen light but fairly steady off-loading of dollars here."

The dollar closed at 1.6730 DM at the opening and 1.6710 DM at the close on Tuesday. It also ended against other European currencies.

The dollar also closed at 113.45 yen, down from 133.78 at the opening but up from 132.90 Tuesday.

The failure of repeated intervention by the Bank of Japan in Tokyo overnight to bolster the yen suggests further gains for the dollar, dealers said.

Analysts attributed the yen's weakness to the political scandals plaguing the Liberal Democratic Party, expectations of an interest-rate cut, sagging corporate profits and weakness of the Japanese stock market.

Steven Jory, chief dealer at Chemical Bank, said support from the Bundesbank was unlikely because it would not want to sell dollars for marks at a time when the Swiss National Bank is selling marks for Swiss francs. "It would

retailer. Daiwa had agreed to pay about \$450 million for shares it had sold under a tobashi arrangement to Tokyo, according to explanations in the Japanese press. But the shares had fallen in value, along with other stock investments in Japan, and Daiwa was not able to pay that much money to Tokyo.

The two parties went to mediation, and Tokyo was awarded a

payment by Daiwa of \$375 million. "We are not necessarily satisfied with the outcome," the Tokyo president, Mamoru Miura, said at a news conference, according to the Kyodo news agency. "But we have decided to accept the results in order to minimize economic and social damage."

Mr. Esaka, the new Daiwa president, said the company has so far encountered five cases of custom-

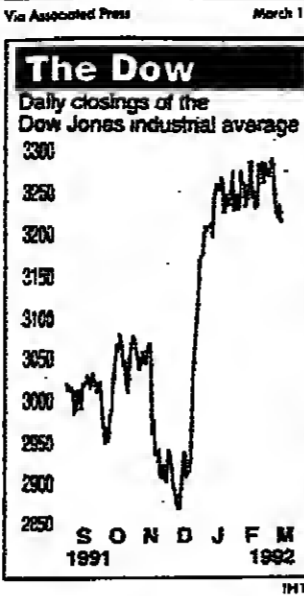


Table with columns: Vol, High, Low, Last, Chg. for NYSE Most Actives.

Table with columns: Vol, High, Low, Last, Chg. for AMEX Most Actives.

Table with columns: Vol, High, Low, Last, Chg. for NYSE Diary.

Table with columns: Vol, High, Low, Last, Chg. for Amex Diary.

Table with columns: Vol, High, Low, Last, Chg. for NASDAQ Diary.

Table: Dow Jones Averages. Columns: Index, High, Low, Last, Chg.

Table: Standard & Poor's Indexes. Columns: Index, High, Low, Last, Chg.

Table: NYSE Indexes. Columns: Index, High, Low, Last, Chg.

Table: NASDAQ Indexes. Columns: Index, High, Low, Last, Chg.

Table: AMEX Stock Index. Columns: Index, High, Low, Last, Chg.

Table: Dow Jones Bond Averages. Columns: Index, High, Low, Last, Chg.

Table: Market Sales. Columns: Index, High, Low, Last, Chg.

Table: N.Y.S.E. Odd-Lot Trading. Columns: Index, High, Low, Last, Chg.

Table: S&P 100 Index Options. Columns: Index, High, Low, Last, Chg.

Table: EUROPEAN FUTURES. Columns: Index, High, Low, Last, Chg.

Table: Food. Columns: Index, High, Low, Last, Chg.

Table: Metals. Columns: Index, High, Low, Last, Chg.

Table: Stock Indexes. Columns: Index, High, Low, Last, Chg.

Table: Spot Commodities. Columns: Index, High, Low, Last, Chg.

Table: Dividends. Columns: Index, High, Low, Last, Chg.

Table: Financial. Columns: Index, High, Low, Last, Chg.

Table: 3-MONTH EURO DOLLARS (LIBOR). Columns: Index, High, Low, Last, Chg.

Table: 3-MONTH EURO DOLLARS (LIBOR). Columns: Index, High, Low, Last, Chg.

Table: U.S. FUTURES. Columns: Index, High, Low, Last, Chg.

Table: Grains. Columns: Index, High, Low, Last, Chg.

Table: Metals. Columns: Index, High, Low, Last, Chg.

Table: Livestock. Columns: Index, High, Low, Last, Chg.

Table: Food. Columns: Index, High, Low, Last, Chg.

Table: Financial. Columns: Index, High, Low, Last, Chg.

Table: Stock Indexes. Columns: Index, High, Low, Last, Chg.

Table: Commodity Indexes. Columns: Index, High, Low, Last, Chg.

Table: U.S. Bank Profits Surged in Quarter. Columns: Index, High, Low, Last, Chg.

Table: Toys 'R Us Net Rose 10% in Quarter. Columns: Index, High, Low, Last, Chg.

Table: Continental Creditors to Sue Lorenzo. Columns: Index, High, Low, Last, Chg.

Table: Chrysler Financial Plans Asset Sales. Columns: Index, High, Low, Last, Chg.

Table: IBM Unit to Sell Clones in Europe. Columns: Index, High, Low, Last, Chg.

Table: For the Record. Columns: Index, High, Low, Last, Chg.

Table: SCANDAL: Daiwa Leader Quits Over Stock Scheme. Columns: Index, High, Low, Last, Chg.

Table: U.S. FUTURES. Columns: Index, High, Low, Last, Chg.

Table: Grains. Columns: Index, High, Low, Last, Chg.

Table: Metals. Columns: Index, High, Low, Last, Chg.

Table: Livestock. Columns: Index, High, Low, Last, Chg.

Table: Food. Columns: Index, High, Low, Last, Chg.

Table: Financial. Columns: Index, High, Low, Last, Chg.

Table: Stock Indexes. Columns: Index, High, Low, Last, Chg.

Table: Commodity Indexes. Columns: Index, High, Low, Last, Chg.

Table: U.S. Bank Profits Surged in Quarter. Columns: Index, High, Low, Last, Chg.

Table: Toys 'R Us Net Rose 10% in Quarter. Columns: Index, High, Low, Last, Chg.

Table: Continental Creditors to Sue Lorenzo. Columns: Index, High, Low, Last, Chg.

Table: Chrysler Financial Plans Asset Sales. Columns: Index, High, Low, Last, Chg.

Table: IBM Unit to Sell Clones in Europe. Columns: Index, High, Low, Last, Chg.

Table: For the Record. Columns: Index, High, Low, Last, Chg.

Table: SCANDAL: Daiwa Leader Quits Over Stock Scheme. Columns: Index, High, Low, Last, Chg.

Table: U.S. FUTURES. Columns: Index, High, Low, Last, Chg.

Table: Grains. Columns: Index, High, Low, Last, Chg.

Table: Metals. Columns: Index, High, Low, Last, Chg.

Table: Livestock. Columns: Index, High, Low, Last, Chg.

Table: Food. Columns: Index, High, Low, Last, Chg.

Table: Financial. Columns: Index, High, Low, Last, Chg.

Table: Stock Indexes. Columns: Index, High, Low, Last, Chg.

Table: Commodity Indexes. Columns: Index, High, Low, Last, Chg.

WORLD STOCK MARKETS

Agence France Presse March 11

Table: World Stock Markets. Columns: Market, Close Prev., Close, Chg.

Table: World Stock Markets (continued). Columns: Market, Close Prev., Close, Chg.

Table: World Stock Markets (continued). Columns: Market, Close Prev., Close, Chg.

Table: World Stock Markets (continued). Columns: Market, Close Prev., Close, Chg.

Table: World Stock Markets (continued). Columns: Market, Close Prev., Close, Chg.

Handwritten signature: JPM

سكنا من النحل

EUROPE

NYSE

Wednesday's Closing Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

(Continued)

Table of NYSE stock market data including various stock prices and market indices.

Now on the Line: Eastern Germany

By Ferdinand Prottzman New York Times Service

LEIPZIG — Lately, when traveling abroad, Jürgen Bohn, the economics minister of the state of Thuringia in Eastern Germany, gives foreign business executives a demonstration of the dramatic improvement wrought by Bonn's multibillion-dollar investment in this region's antiquated telephone system. He phones home. With each call, Mr. Bohn shows not only the modernization of Eastern Germany's phone network but also the new technology and business practices that are putting the nation's telecommunications industry to the test. It began on a trip to Tokyo last December, Mr. Bohn said of his trip. "The Japanese have been very reluctant to invest in Eastern Germany, and one of their main complaints has been had telecommunications. 'So I borrowed the German ambassador's portable phone.' Mr. Bohn said. 'Whenever questions about the telephone system arose, I just called my office in Erfurt to show the quality of service. The call went through on the first try every time.' The subtle stunt would have been impossible before the Berlin Wall fell in November 1989; only 20 telephone lines existed then to carry calls from communist East Germany to West Germany. There were only 1.8 million telephones, or one for every 10 citizens, in East Germany, where it was not uncommon for a customer to wait 20 years to have a phone installed. Now, a year and half into the \$30 billion network-modernization program, there are about 2.4 million telephone connections in Eastern Germany, and the master plan calls for 7.1 million by 1997. Overseeing the network overhaul is Telekom, the \$27.8 billion-a-year telecommunications arm of Germany's state monopoly supplier of telephone and postal services, the Deutsche Bundespost. When the work is done, Eastern Germany will have one of the most modern telephone networks in the world. 'Rebuilding the telecommunications network is crucial if our area is to compete successfully in the world market,' said Inghert Blüthner-Haessler, the owner of Julius Blüthner Pianofabrik GmbH, a piano manufacturer in Leipzig. 'Before the new long-distance system was in operation, it could take hours to put a call through to another country.' A milestone in the modernization program came on July 6, 1991, when Eastern Germany inaugurated a long-distance network of 34,000 lines linking East and West. The expansion was carried out by overlaying the existing network with underground fiber-optic cables and electronic digital switching equipment. The digital switches can connect calls much faster than the old, electromechanical switches, and, because they use computer code to transmit a phone call, conversations usually are remarkably free of noise. Calling into and out of the region is now quick and easy; installing the network was anything but. In the former East Germany, the military and the secret police had their own communications systems, and the Communist government had little interest in giving citizens access to modern telecommunications technology. The public telephone network was a patchwork of pre-World War II switching equipment stitched together by lead-sheathed copper cables wrapped with paper insulation. Telekom's plan calls for replacing this relic with some 10 million miles of fiber-optic and copper cables and 2,000 digital telephone switching exchanges. At least 120,000 high-speed lines for long-distance computer communications will be set up. And about 68,000 public telephone booths will be installed. Supplementing the land-based gear, Telekom has set up more than 100 new satellite and microwave transmission stations across the region, with more to be added this year. By the end of 1991, 60 percent of Eastern Germany's surface area was already covered by a mobile-telephone network, capable of serving 80 percent of the population.

Table titled 'Investor's Europe' showing stock market indices for Frankfurt, London, and Paris across various exchanges and dates.

Sources: Reuters, AFP International Herald Tribune

Very briefly:

- BTR PLC said its pretax profit slipped 3 percent in 1991, to £917 million (\$1.59 billion) ahead of most analysts' forecasts; Hawker Siddeley, bought for £1.55 billion in November, achieved the £130 million pretax it had forecast.
• Bayer AG said pretax profit fell to 3.2 billion DM (\$1.9 billion) in 1991, from 3.7 billion in 1990, compared with 20 percent declines posted Tuesday by BASF AG and Hoechst AG; Bayer kept its dividend unchanged at 13 DM, whereas BASF and Hoechst cut theirs by 1 DM to 12.
• Siemens Nixdorf said it expected to lose its loss in the year ending Sept. 30, from the 781 million DM loss posted the previous year.
• UNI Stoerbrand, Norway's biggest insurer, said international activities helped boost profit to 565 million kroner (\$86.7 million) in 1991, from 403 million in 1990.
• The EC Commission said it was opening a new inquiry into £44.4 million in aid given by Britain to British Aerospace PLC when it bought Rover Group in 1988; the European Court of Justice last month quashed a commission ruling ordering the company to repay the aid.
• Hillsdown Holdings PLC, a diversified British food group, said pretax profit fell 2 percent in 1991, to £186.6 million, as poultry operations were hurt by a disrupted British market and higher imports.
• Willis Corroon Group PLC said pretax profit rose 16 percent, to £96.1 million, in 1991, the group's first full year after being formed in a merger of Britain's Willis Faber and Corroon & Black of the United States.
• Retold Group PLC said it had bought a 49 percent share in the Japanese joint venture Nippon Calnic Ltd. from Wellcome PLC for £3.5 million.
• P&O Ferries and Sealink Stena Line will not be allowed to set up a joint cross-channel ferry service to compete with Euroterminal, Britain's Department of Trade and Industry said.
Reuters, UPI, Bloomberg

CHINA: Foreign Firms See Consumer Spending Boom HUNG:

(Continued from first finance page) hong, executive director of Guangzhou Nanfang Da Sha, the city's fanciest department store. Last year, Nanfang Da Sha was closed for four months and with the help of the Hong Kong Trade Development Council underwent a \$5.5 million renovation that transformed it from a drab, vintage Communist state store into a glitzy, neon-decorated shopping experience more like its counterparts in Hong Kong or Malaysia. Since the reopening, Mr. Zheng says sales are up 20 percent to 30 percent. Unlike Mr. Zheng, many foreign companies operating in China are reluctant to trumpet their achievements, for fear of attracting the attention of Chinese officials, or of stirring up anti-Chinese sentiment back home. 'You don't want to be out there saying, 'We are supporting the same guys who massacre students,' said an executive of a major U.S. company, who asked not to be identified. One of the most timid U.S. companies — Procter & Gamble Co., whose executives declined to be interviewed for this article — is also perhaps the biggest and most successful. Since entering Guangdong in late 1988, the company has expanded its investment twice to a total of \$34 million, manufacturing such items as Whisper sanitary napkins and Oil of Ulan. The company's two hottest-selling shampoos — Head & Shoulders and Rejoice — together command 40 percent of the Guangzhou market. Total sales last year amounted to \$70 million for a net profit of \$6.6 million, according to an industry source and the Guangzhou Municipal Light Industry Bureau. 'By 1996, P&G will have a half-billion dollar business,' said the source, who asked not to be identified, adding that the company's factory in Huangpu, an industrial park outside Guangzhou, 'is world class. You could be in Cincinnati, Ohio. It's awesome what they've done.' Nevertheless, joint-venture companies must still confront a host of problems, such as exchanging their yuan revenues for foreign currency and meeting the export requirements written into their contracts at the insistence of Beijing. 'Right now, almost all of these companies are in a growth mode so they aren't really repatriating money anyway,' said a foreign observer in Guangzhou. 'They don't seem very worried about it.' As for the export quotas, which Beijing hopes will earn it more foreign exchange, several executives said they are now widely ignored. That is a switch from the late 1980s, when a swift decline in the country's foreign-exchange reserves sparked a crackdown that made it difficult for foreign joint ventures to obtain hard currency. Chinese exports have since made a strong recovery, pushing the country's foreign-exchange reserves above \$40 billion. 'In the longer term, you still have the problem that this is a very risky place to do business,' said the foreign observer. 'But when you have a two- to three-year payback period, as long as you are fairly confident for two or three years down the line, after that, who cares?'

(Continued from first finance page) raising interest rates and a devaluation. Both major parties and the Liberal Democrats have stated that they would maintain sterling within its fluctuation bands in the European Monetary System's exchange rate mechanism. A hung parliament might change that. As members of a minority government, either party might balk at raising interest rates when unemployment is still rising and an election is looming. Devaluation, under those circumstances, would have heightened appeal. A coalition government also would give its members scope to blame each other for unseemly acts, such as a devaluation or soaring deficits. 'They would always blame pressure from their coalition partners for their budgets having higher spending or more tax cuts,' said one economist. Increasingly popular is the notion that the party in power might be able to reassure the financial markets by granting the Bank of England independence in setting monetary policy, something which the Liberal Democrats already favor. By doing that, the government could effectively insulate its monetary policy from the political vicissitudes of a hung parliament. 'It begins to look like the Bank of England could be the big winner in a hung parliament,' said Giles Keating, chief economist for Credit Suisse First Boston in London. Analysts caution, however, that an independent Bank of England would lessen but not eliminate the risk of a rise in interest rates. One silver lining of a coalition government would be its ability to tone down some of the major parties' more drastic policies. For instance, Labor might have to delay its plans to tax the rich more heavily, while the Tories might have to drop their plans for a lower base tax rate.

American Chief Woos Wary Air France

PARIS — American Airlines wants to cooperate with Air France in starting a new Lyon-Chicago flight, Robert Crandall, the president of the U.S. airline, said Wednesday. However, Air France reacted warily. American Airlines is starting a direct service between Paris-Orly and Miami on March 23. But Mr. Crandall said it was "strange" that American, which is offering 35 weekly direct flights from Paris-Orly to U.S. cities, has "only one Atlantic gateway in France." A direct link between the central French city of Lyon and Chicago, American's hub, could be run jointly, he said. Mr. Crandall added that there had been no talks with Air France. Bernard Attali, the chairman of Air France, reacted warily. He said he would agree to study the idea of jointly operating some routes, but urged Mr. Crandall "to make his actions conform to his words." He noted American wanted to increase its capacity to Paris by 32 percent this summer. But he said experts saw global air traffic rising by 5 percent. (A.F.F. 1/17)

AIRLINES: A Dogfight Breaks Out in U.S. Skies

(Continued from first finance page) sonable. The executives agree, though, that today's greatest bargains, including round-trip trans-Atlantic fares below \$400, will vanish. Since the ranks of the truly global carriers are almost certain to include American, United and Delta, which have survived a brutal elimination round in the United States, the market has only a few slots left for large foreign carriers. Compounding its advantage, the United States accounts for about 40 percent of all airline passengers, compared with 31 percent for all of Europe. Lawrence Nagin, the general counsel for United Airlines, said few Americans were aware of the successes of U.S. carriers in the international marketplace. 'Too often today, elected officials, public-opinion makers, special-interest groups are writing their hands about the fact that U.S. industries are at a disadvantage,' he said. 'In aviation, the United States is a success story.' Even the three airlines that carried the most international passengers in 1990 — British Airways, Lufthansa and Air France, in that order — cannot count on remaining at the top. In 1990, Pan Amer-

Why should you buy Euro Securities in New York?

deBary Call Toll Free from: UK 0800-89 1782 FR 05.90.11.41 GER 01.30-81 1497 CH 046.05.89.65 LUX 0800.0213 Account Protection to \$25,000,000 Marquette de Bary Co., Inc. 480 Madison Ave., 8th Fl., NY, NY 10017 212 (44-5300) 800 231-3305 FAX 212 571-0051 Member NASD/NIP

Weekly net asset value Tokyo Pacific Holdings N.V. on 9-03-1992 U.S. \$189.83 Listed on the Amsterdam Stock Exchange Information: Pausen, Holding & Pleson N.V. Rokin 55, 1012 KK Amsterdam Tel +31-20-5211410

(Continued on next right-hand page)

Japanese Oil Companies to Merge

Bloomberg Business News
TOKYO — Nippon Mining Co. will merge its oil-refining business with an affiliate company, Kyodo Oil Co., the companies announced Wednesday...

Taiwan Opens Up To Global Stocks

TAIPEI — Taiwan, seeking to boost its role as a financial center, will allow its companies to sell stock overseas and permit issues of shares by foreign firms on the island...

Hongkong Bank Gains As Rating Is Maintained

Laurence Zuckerman
HONG KONG — Moody's investors Service reaffirmed on Wednesday its credit ratings on HSBC Holdings, the parent of Hongkong & Shanghai Bank...

Investor's Asia
Table showing stock indices for Hong Kong (Hang Seng), Singapore (Straits Times), and Tokyo (Nikkei 225) with closing and previous values.

NYSE

Wednesday's Closing
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

NYSE Market Data
Table listing various stocks and their closing prices, including symbols like ABC INVESTMENT & SERVICES CO.

Market Data Tables
Multiple columns of market data including various stock symbols and their corresponding prices.

Vietnam Banking Overhaul Urged

BANGKOK — A top Vietnamese official has urged an overhaul of the country's banking system to hold inflation below 40 percent this year...

- Very briefly:
Honda Motor Co., as part of efforts to buy more U.S.-made auto parts, is inviting about 40 U.S. parts makers to Tokyo next week.

INTERNATIONAL FUNDS

Large table of international fund listings with columns for fund names, symbols, and prices. Includes sub-sections like 'Other Funds' and 'Investment Funds'.

TO OUR READERS IN FRANCE
It's never been easier to subscribe and save with our new toll free service. Just call us today at 05-437 437

SPORTS

Pakistan Holds On By 48 Runs, Nearly Finishing Australia

PERTH — Pakistan rekindled its World Cup cricket hopes and all but ended Australia's with a 48-run defeat of the defending champions in a day-night match Wednesday.

Swiss Musher Cuts 7 Hours From Sled Dog Record

NOME, Alaska — Swiss-born musher Martin Buser won the Iditarod Trail Sled Dog Race on Wednesday, leaving his nearest pursuers hours behind and becoming the first person to finish the 1,159-mile (1,931-kilometer) run in under 11 days.

As his wife, Kathryn Chapoton, and their two young sons waited, Buser arrived at the finish line shortly after 4:15 A.M., seven hours better than the record time of 11 days, 1 hour, 53 minutes set by four-time winner Susan Butcher in 1990.

It was the first Iditarod victory for Buser, 33, who in nine races has finished in the top 10 seven times. Last year, he came in second in a blinding blizzard.

This year, Buser's lead had grown so wide during the second half of the race that it had generated a battle for second place.

Butcher, Tim Osmar, DocDee Jonrowe and Rick Swenson, last year's champion and the only five winners, were still about 60 miles from Nome when Buser cruised across the finish line to claim \$50,000 in first-place money.

Buser, who was born in Zurich, took up mushing as a teenager and moved to Alaska in 1979. He and his wife, a kindergarten teacher, own a kennel with about 70 huskies.

Bo Jackson Considers Hip Replacement Operation



Bo Jackson taking a pitch during a preseason game: "I want to spend the rest of my life pain-free."

By Ross Newhan Los Angeles Times Service VERO BEACH, Florida — Bo Jackson appears to be finished with baseball at age 29.

The designated hitter for the Chicago White Sox didn't announce his retirement Tuesday but did say that he would have surgery for the hip injury that forced him to give up his professional football career with the Los Angeles Raiders.

Jackman said at the Chicago White Sox training camp in Sarasota, Florida, that he favored a hip replacement that virtually would eliminate any possibility of his return, according to medical experts, but there is also the possibility of a much simpler arthroscopic process to remove bone chips.

He said it was unlikely that arthroscopic surgery would correct his limp or alleviate the pain.

"I've been able to hide the pain well, but I can't deny it," he said. "My main thing is that I want to spend the rest of my life pain-free. I want to do things normal dads do. I want to be able to play with my kids."

Jackman said that doctors were studying the options and that the surgery, of whatever type, would be performed in late summer after his wife, Linda, graduates from Auburn University.

The White Sox owner, Jerry Reinsdorf, said doctors had told him that "the odds are long" against Jackson's return with a hip replacement.

"Realistically, yesterday could have been my last at-bat in the major leagues," Jackson said of a single against the Baltimore Orioles in an exhibition game.

He said that "my main objective is to get rid of the nagging pain and get rid of the limp. I feel like myself, except for running. And if you can't run, you can't play."

Jackman added: "I've always prided myself on doing things people say I can't do, so I'm hoping that if anyone can do this [play with a hip replacement], Bo Jackson can."

He was injured in a National Football League playoff game in January 1991. The blood supply to the injured area was disrupted, causing severe deterioration of the cartilage that serves as a cushion between the hip socket and thigh bone.

He was released by major league baseball's Kansas City Royals last March, then signed with the White Sox in April. He spent almost five months in rehabilitation, returned to play several minor league games in August, then hit 225 in 71 at-bats with Chicago in September.

The White Sox had faced a deadline next Sunday for deciding whether to pick up Jackson's 1992 contract at \$910,000, plus \$10,000 for every game in which he remained available to play, up to 150 games.

Eastern Illinois and Fordham Gain NCAA Berths

CLEVELAND — Eastern Illinois' basketball coach, Rick Samuels, can now share a dream with his players: going to the National Collegiate Athletic Association's championship tournament.

When the Panthers beat Illinois-Chicago, 83-68, Tuesday night to win the Mid-Continent Conference tournament, they also got the automatic NCAA bid.

"It's every player's dream to make the tournament, but it's no different for the coaches," Samuels said of the school's and his first trip to the NCAA.

Fordham also won a spot in the 64-team tournament by beating Bucknell, 70-65, for the Patriot League championship.

Steve Rowe had 22 points for Eastern Illinois (17-13), while Curtis Lab made some clutch shots down the stretch and finished with 17.

The eastern Illinois team reached the title game on the 3-point shooting of Dave Olson, but UIC held him to only three 3-pointers.

In Bethlehem, Pennsylvania, Fordham (18-12) made the NCAA tournament for the first time in 21 years.

Fred Herzog sank two free throws and scored a basket and Sanford Jenkins added three points down the stretch to give the Rams their victory. Herzog led Fordham with 17 points, Jenkins had 16.

NHL Said Considering Raid on Minors, Europe

NEW YORK — National Hockey League teams are considering using minor league replacements if the players strike, according to the league's union representing minor leaguers.

One report published Wednesday said former NHL players now in Europe also would be recruited. No strike date has been set, but the NHL Players Association was given a strike authorization by its members last week. Talks on a collective-bargaining agreement to replace the one that expired Sept. 15 were broken off Monday night.

Curt Leichter, general counsel for the Professional Hockey Players Association, said that two NHL general managers had approached members of their affiliate teams about playing in the event of a strike.

Leichter said the general managers had threatened to suspend minor league players who refused to be replacements.

Earlier, more than a dozen players changed jerseys as NHL teams scrambled to fill holes prior to the trading deadline. (See Scoreboard)

In the major trade, the Buffalo Sabres completed a two-day shake-up by acquiring Petr Svoboda from Montreal for promising rookie Kevin Haller in an exchange of defenseman Svoboda, 26, was the Canadian's most experienced defenseman, but had been at odds with the coach, Pat Burns. (AP, NYT)

LeBlanc Winner, if Briefly U.S. Olympic goaltender Ray LeBlanc stopped 21 shots Tuesday night in Chicago's 5-1 victory over San Jose, stretching the Blackhawks' home unbeaten streak to 13 games at 9-0-4, The Associated Press reported.

LeBlanc, who starred in Alberta's Games after eight years in the minors, was recalled from Chicago's farm club in Indianapolis so that he would qualify for the NHL's expansion draft this summer. The Blackhawks already have three higher-rated goalies whom they want to protect from the draft.

Clark Donatelli, captain of the U.S. Olympic team, earlier signed a contract with the Boston Bruins that runs through next season, and reportedly will pay the former Boston University star between \$150,000 and \$200,000.

Donatelli, 26, first played with the Bruins last year in training camp. The winger will join the team in Buffalo but is not expected to suit up until later in the week.

Al Arbore became only the second coach in NHL history to win 700 games as the New York Islanders beat the Philadelphia Flyers, 5-2, Tuesday behind two quick second-period goals by Ray Ferraro and Hubie McDonough.

The other coach with more than 700 victories is also still active — Scotty Bowman of the Pittsburgh Penguins, who has 770.

SCOREBOARD

BASKETBALL

NBA Standings

Table showing NBA Standings for Eastern Conference, Western Conference, and Pacific Division. Columns include team name, wins, losses, and percentage.

Major College Scores

Table showing Major College Scores for various conferences including Mid-Continent, Patriot League, and others.

Baseball

World Cup

Table showing World Cup baseball results including scores for various teams like Australia vs. Pakistan.

Baseball

Exhibition

Table showing Baseball Exhibition results including scores for teams like Houston & Los Angeles.

Baseball

Exhibition

Table showing Baseball Exhibition results including scores for teams like Philadelphia & Baltimore.

Baseball

Exhibition

Table showing Baseball Exhibition results including scores for teams like Montreal & New York.

Baseball

Exhibition

Table showing Baseball Exhibition results including scores for teams like Chicago & San Diego.

Baseball

Exhibition

Table showing Baseball Exhibition results including scores for teams like Oakland & San Francisco.

Large advertisement for AT&T USADirect Service, featuring the slogan 'FEELING OUT OF OFF?' and 'AT&T USADirect Service can get you back to the office in seconds.'

AT&T USADirect Service dial access numbers table listing international and domestic phone numbers for various countries.

ART BUCHWALD

Find a Threat — Quick!

WASHINGTON — What no one in the Pentagon — and I mean no one — ever predicted was that the Evil Empire would collapse so fast...



General Bonafigliera of the U.S. Air Force had another suggestion. "Our satellites have been flying over Sierra Leone..."

Berliner Ensemble Getting New Team
BERLIN — The Berliner Ensemble will be reorganized by a new team of directors...

When Critics Get Too Close to the Action

By Bernard Weinraub New York Times Service

LOS ANGELES — In 1976, a studio publicity executive telephoned a well-known film critic who had just seen and enjoyed "Joseph Andrews..."

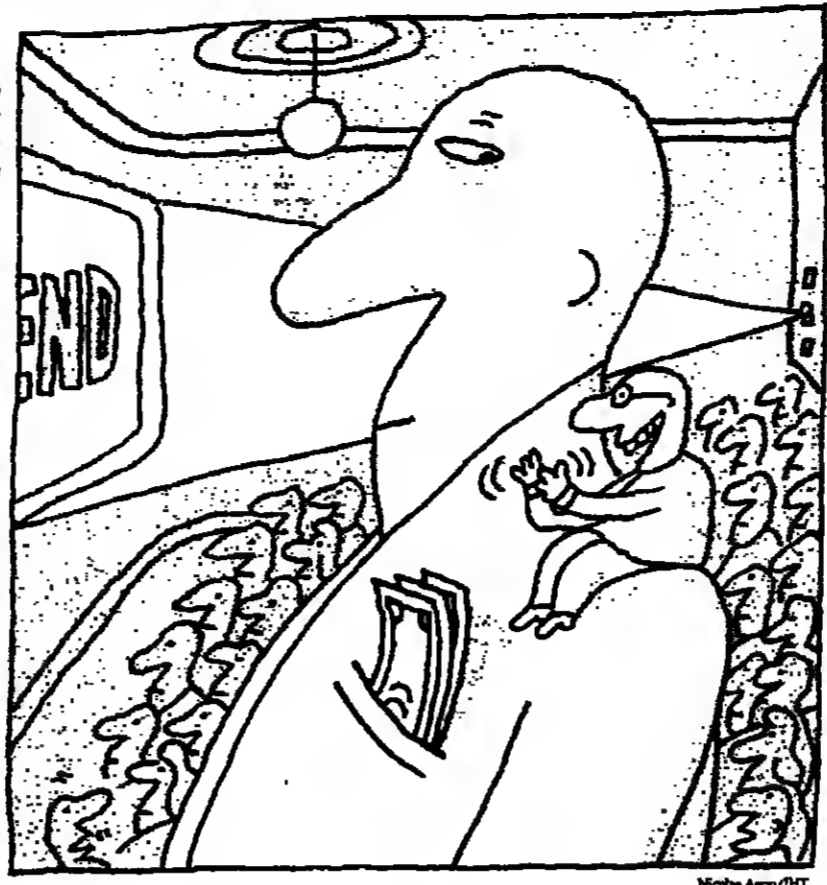


Illustration by Dan Raitt

movie with studios, and that it was absurd to say he had been a "marketing consultant..."

erman, a former Newsweek film reviewer, and Ventura, who has written for L.A. Weekly, have also written screenplays...

working critics had actually been peddling screenplays. "I was done surreptitiously," said Bart, who is now editor of Variety...

PEOPLE

Korean Church Founder Gets \$1 Million Prize

The Reverend Young-Chik Han of South Korea, founder of the world's largest Presbyterian church, has won the Templeton Prize for Progress in Religion...

A lawyer for Edward Albee asked a judge in Miami to dismiss an indecent exposure charge against the 64-year-old playwright...

Spike Lee says Warner Bros. skipped on the financing for his film "Malcolm X" and has thrown away much more money on bad movies...

The veteran film and TV writer Ring Lardner Jr. has been awarded the Ian McEwan Hunter Award for lifetime achievement...

U.S. Sales E To New Life Mail Buying in. Advanced at Fast... Signs of Life... Persuade... Reform... Kill Sill...

INTERNATIONAL CLASSIFIED

Real Estate Listings: PARIS AREA UNFURNISHED, REAL ESTATE TO RENT/SHARE, AGENCY CHAMPS ELYSEES, etc.

INTERNATIONAL RECRUITMENT

Business Message Center: EMPLOYMENT SERVICES, EXECUTIVES AVAILABLE, GENERAL POSITIONS WANTED, etc.